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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: TRADE AND DEVELOPMENT

Specific problems and needs of island developing countries

Report of the Secretary-General

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I. INTRODUCTION

1. In paragraph 6 of its resolution 45/202 of 21 December 1990, the General Assembly called upon the island developing countries to continue to adopt suitable development policies designed to overcome their specific vulnerabilities, in particular through the promotion of an integrated approach to their development process in such areas as development of human resources, expansion of physical and institutional infrastructure, exploitation of resources and diversification of the production base. In paragraph 7, the Assembly also called upon them to adopt measures aimed at protecting and rehabilitating their fragile environment and ecosystems, and in paragraph 8 urged them to promote regional cooperation arrangements in such areas as disasters prevention, inter-island transport feeder services and security.

2. In paragraph 9 of the resolution, the Assembly appealed to the international community to assist the island developing countries in order to enable them to overcome their particular problems. This includes the increase of financial and technical assistance on concessional and other appropriate terms and support for improving their institutional and administrative capacity, as well as for the development of human resources and the export sector in these countries.

3. In paragraph 11 of the resolution, the Assembly urged the United Nations Conference on Trade and Development (UNCTAD) to strengthen its role as the focal point for specific action at the global level in favour of island developing countries and to act as a catalyst in this regard, inter alia, by organizing and facilitating the cross-regional interchange of information and experience in full cooperation with regional and subregional organizations, both within and outside the United Nations system, as appropriate.

4. In paragraph 12, the Assembly requested the Secretary-General of UNCTAD to continue to carry out activities to identify specific problems and recommend specific measures for island developing countries, taking into account the work already done on this issue within the inter-agency framework called for in paragraph 10 of resolution 43/189, in particular in areas such as the applicability of current socio-economic indicators to island developing countries, transport and the impact of natural disasters. In paragraph 13, it also requested him to provide, from existing or from extrabudgetary resources, technical advisory services to the island developing countries to assist them in the following areas: periodic review of their socio-economic performance; assessment and exploitation of marine potential; development of inter-island transport services; and development of the statistical socio-economic database to improve planning capacities. Further, in paragraph 16, the Assembly requested the Secretary-General to submit a report to the Assembly at its forty-seventh session on the implementation of the resolution.

5. In order to assist the UNCTAD secretariat in the preparation of the present report, the Secretary-General of UNCTAD undertook two initiatives: firstly, in response to the request made in paragraph 12 of the resolution, he convened a group of experts acting in their individual capacity

(representatives from United Nations agencies and other intergovernmental organizations also participated in this group), with the following terms of reference: to review the recent trends in the socio-economic performance of island developing countries and the prospects for their growth and development; to assess the nature and magnitude of island-specific vulnerabilities; to identify areas of development potential and comparative advantage of island developing countries; and to make specific policy recommendations for national, regional and international action. The present report draws on the group's observations on the above issues as well as on UNCTAD's ongoing work on behalf of the island developing countries.

6. Secondly, in order to be able to respond fully to paragraphs 6 to 8 of the resolution, the Secretary-General of UNCTAD, who has been entrusted with the prime responsibility for initiating action with respect to it, requested Governments of the States members of UNCTAD as well as international and intergovernmental organizations to provide information about the measures they are undertaking in response to the actions required by the resolution. Addendum 1 to the present report (A/47/414/Add.1) contains a summary of replies received in this respect. The progress made by UNCTAD with regard to the advisory services to island developing countries requested in paragraph 13 of the resolution is also reported on in addendum 1.

II. THE VULNERABILITY OF ISLAND DEVELOPING COUNTRIES*

7. Island developing countries are a diverse group of countries with different natural resource endowments, different geographical situations in relation to major markets and different land and sea areas. At least 12 of them (Aruba, Bahamas, Bahrain, Barbados, Bermuda, British Virgin Islands, Brunei Darussalam, Cayman Islands, Cyprus, Malta, Singapore and United States Virgin Islands), had GNP per capita of around US$ 6,000 or over in 1989, while 11 (Cape Verde, Comoros, Haiti, Kiribati, Maldives, Madagascar, Sao Tome and Principe, Solomon Islands, Vanuatu, Samoa and Tuvalu) are classified as least developed countries. The island developing countries include Indonesia, with a population of over 184 million people, and the Philippines, with a population of over 62 million (these and subsequent population figures refer to 1990); Sri Lanka, Madagascar, Cuba, the Dominican Republic and Haiti, with populations of 5 to 20 million; Papua New Guinea, Singapore, Jamaica, Trinidad and Tobago, and Mauritius with populations of 1 to 5 million; and 42 countries with a population of less than 1 million. Of these small island developing countries 18 are in the Caribbean, 17 in the Pacific, 5 are in the Atlantic and Indian Oceans, and 2 are in the Mediterranean. Of these 42 small island countries, 38 have a population of less than 300,000 and 23 have a population of less than 100,000. 1/

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* This section is based on data contained in the annex of the present report, and also in Commonwealth Secretariat (1992), Basic Statistical Data on Selected Countries (with population of less than 5 million), except when otherwise stated.

A. Recent economic performance of island developing countries

8. Using GNP per capita as an indicator, the growth experience of island developing countries was mixed in the 1980s. Of the 34 countries for which data are available, GNP per capita grew by over 1 per cent per annum during the period 1980-1989 in 21 countries, while severe decline (with GNP per capita decreasing by more than 1 per cent per annum) was experienced in 8 countries (Jamaica, Madagascar, Philippines, Trinidad and Tobago, Bahrain, Fiji, Sao Tome and Principe, and Vanuatu). Moreover some island developing countries experienced very rapid growth, with GNP per capita increasing by over 4 per cent per annum in Mauritius, Singapore, Antigua and Barbuda, Cyprus, Grenada, Maldives, Saint Kitts and Nevis, and Saint Lucia. The average annual growth rates of GNP per capita of all developing countries in this period was 0.5 per cent per annum.

9. This relatively favourable economic performance in what is generally considered as the "lost decade" for economic development is encouraging. But one must not read too much into these growth figures. The average annual growth of GNP per capita over a 10-year period, while a useful starting-point, can be deceptive as an indicator of development.

10. There are a number of well-known deficiencies of GNP per capita as an indicator of economic well-being and performance. Ignoring those deficiencies, which are common to all developing countries, there are three specific features of the recent growth trends in island developing countries that give cause for concern.

11. Firstly, the high GNP per capita growth rates are in many instances related to a very low population growth rate, which reflects high rates of emigration of nationals to work in other countries. For example, of the eight island developing countries with very high annual growth rates of GNP per capita, two experienced population decline in the period 1980-1990, population growth was only 0.1 per cent per annum in one, and it was around 1 per cent per annum in three others.

12. Emigration is a characteristic feature of many island developing countries. In some countries, a tradition of emigration, sometimes circular, has been established. In the Pacific, more Tokelau, Cook and Niue islanders live outside their country than at home; in the Caribbean this is also true of Anguilla and Montserrat, and may also be true of Saint Kitts and Nevis and Dominica; it is also true of Cape Verde. In a sample of 30 island developing countries for which data are available, recent population growth rates are less than the rates of natural increase of the population in Antigua and Barbuda, Cape Verde, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Seychelles, Tonga, Western Samoa, Netherlands Antilles and Puerto Rico. (These estimates are based on the population growth rate 1980-1990 and most recent estimate of crude birth rates and crude death rates.)

13. The association of economic growth with continued emigration is a particular feature of recent growth trends in island developing countries. It is a pattern that indicates a problem, as most migrants move in order to secure employment when suitable opportunities are not available locally. It also contributes to weak institutional and entrepreneurial capacities in island developing countries as migration is invariably selective and results in the loss of the more skilled individuals. This is particularly serious in small countries, which are the majority of island developing countries, as the available pool of expertise is small to start with. Emigrants' remittances, of course, boost GNP figures, but they are not necessarily used for investment, and in some countries securing a balance in external payments is critically dependent on unpredicatable private transfers. In 1989 net private transfers exceeded merchandise export earnings in Cape Verde, Samoa and Tonga, and was over 30 per cent of merchandise export earnings in the Dominican Republic, Haiti, Jamaica, Grenada and Vanuatu.

14. GNP per capita growth rates that are above the average for developing countries but are coupled with high levels of emigration and of workers' remittances do not, therefore, imply economic strength.

15. Secondly, although most island developing countries have experienced relatively favourable growth rates over the 1980s as a whole, they also experienced significant year-to-year volatility of economic growth. This has been noted in Pacific island economies, which are said to have experienced "enormous volatility" in growth rates in the 1980s, as "throughout the 1980s, surges and declines in GDP with swings in growth of 10-20 per cent occurred with disturbing regularity". 2/ It has also been observed in the Caribbean where it is said that "the growth performance of the individual Caribbean countries during the 1980s exhibited enormous volatility in both real GNP and GNP per capita growth rates". 3/

16. The volatility of economic growth in island developing countries reflects another characteristic feature of them: their proneness to major economic shocks of various kinds, including natural disasters.

17. Thirdly, it is questionable whether recent growth in island developing countries will be sustainable in the 1990s given emerging trends in the international economy and also mounting environmental pressures in those countries.

18. The sustainability of recent growth in island developing countries depends on its sources. This varies between countries, but in all cases the sustainability of recent growth is questionable.

19. The smallest and most remote countries, which are located in the Pacific, include some that do not have any significant domestic sources of productive income and are either entirely or extremely dependent on external rental income. 4/ The main sources of external rental income are aid and remittances, but other sources include income from trust funds, royalties from fishing rights, philatelic sales and military expenditure (bases).

20. There are 12 island developing countries that are entirely or extremely dependent on external rental income in this way. The Federated States of Micronesia, the Marshall Islands, Kiribati, the Northern Mariana Islands, Palau, Tuvalu, Niue and Tokelau are in this category; and Tonga, Samoa, the Cook Islands and Guam are also extremely dependent on external rental income, though these last four countries have also managed to develop some domestic sources of productive income.

21. At the other end of the spectrum, a few island developing countries, usually the larger ones, have more diversified economies. This group includes the Dominican Republic, Jamaica, Haiti, Trinidad and Tobago, Mauritius and Cyprus. A particular feature of their growth in the 1980s has been the development of export manufacturing, often in export-processing zones. The most notable case is Mauritius, which in the 1960s was a monocrop economy based on sugar. Since the establishment of the export processing zone in 1970 a structural transformation has been engineered and in 1988 the export-processing zone accounted for 33 per cent of salaried employment, 88 per cent of manufacturing employment, over 60 per cent of gross domestic exports, and 15 per cent of GDP. 5/ Within the Caribbean there has also been a particularly strong expansion of exports of garments in the 1980s from the larger island developing countries. Their exports have been encouraged by the special programme, under United States tariff schedule item 807 regulations and under Super 807 regulations, that allows countries to negotiate, on a bilateral basis, access levels for garments exports to the United States of America made from United States-originated materials and cuts, and by the incentives provided in association with export-processing zones. The export-processing zones of the Dominican Republic, Haiti and Jamaica employed 85,000, 33,000 and 17,000 people respectively in 1988 and had attracted investment from East Asia as well as the United States.

22. For these countries export manufacturing growth has been founded on a combination of low wages, devaluation and the provision of more and more alluring fiscal and financial incentives than other developing countries. The export of textiles and garments, often produced on a subcontracting basis, has been particularly important, and is related to preferential access to particular developed country markets. The sustainability of this growth may be threatened by changes in import quota regulations in rich countries, and competition to attract foot-loose investment is intense.

23. The majority of island developing countries lie between the extremes of the very small and remote Pacific island developing countries and the larger, more diversified ones. The growth of this group of countries in the 1980s has been founded on service exports, particularly tourism and financial services, and the export of a few primary commodities.

24. Tourism is an important service export specialization of many island developing countries, particularly in the Caribbean. In 1989, for 28 such countries with a population of less than 5 million, tourist earnings exceeded 75 per cent of total export earnings in 5, and were over 30 per cent of total export earnings in 15. For the 22 island developing countries of this sample

for which trend data are available, tourist earnings were a higher proportion of export earnings in 1989 than in 1980 in 13, and in all 22 countries, except Tonga and to a lesser extent Malta, tourist earnings either increased or remained more or less the same proportion of total export earnings.

25. The primary commodity exports that are important to island developing countries include bananas, sugar, cocoa, coffee, vanilla, spices, nutmeg, fish, wood and a few minerals - copper and gold in Papua New Guinea, phosphates in Nauru, and oil in Bahrain and Brunei Darussalam.

26. For the island developing countries that are highly specialized in primary commodity exports, or tourism, or some combination of these, the main threats to the sustainability of recent growth are problems of environmental deterioration (as both agriculture and tourism depend on the maintenance of environmental assets), and removal of trade preferences (particularly with respect to bananas and sugar). Tourist demand in individual island developing countries can also be sensitive to sudden changes in their image.

27. Like the smallest and most remote island developing countries, this group of countries is also very dependent on overseas development assistance. In 1989, official development assistance exceeded US$ 100 per capita in 26 island developing countries, while the average for all developing countries was just US$ 16 per capita (annex, table 5).

28. These inflows of aid have allowed most island developing countries to maintain high levels of gross domestic investment in the 1980s despite relatively low levels of gross domestic savings, and also to offset chronic current account payments deficits. The degree to which many island developing countries depend on official development assistance raises questions about the artificiality of the apparently good recent growth performance, and also highlights the degree to which the sustainability of recent growth trends is dependent on sensitive and effective aid policies that do not bring additional shocks to these countries.

B. The specific vulnerabilities of island developing countries

29. The volatility of growth in most island developing countries, the uncertainty regarding the sustainability of recent growth that has occurred in most countries, and the structural weakness evident in high rates of emigration of people seeking employment indicate that a central problem that island developing countries face is one of vulnerability.

30. Vulnerability is, of course, a problem in many developing countries, but there are vulnerabilities that are specifically related to the characteristics of island developing countries, particularly small ones. These vulnerabilities are based on the extreme openness of their economies, their extreme dependency (in the sense of lack of control over and degree of influence on actions of other States, aid agencies and large firms), their susceptibility to natural disasters, their low resilience (in the sense of

their capacity to recover from shocks) and the difficulty they face in achieving long-term sustainable development when their economic options are limited and the environmental assets on which key economic sectors depend are under pressure.

31. A vulnerable economy may be most simply defined as one which (a) is subject to frequent shocks which are unpredictable and not controllable by national Governments; and (b) has low resilience, in the sense that it has little internal capacity to absorb the damage caused by the shocks and resume normal economic life when subject to shocks. Such economic vulnerability is evident in erratic and unpredictable variability in key economic indicators. The volatility of growth in island developing countries is a manifestation of such vulnerability.

1. Economic shocks

32. Island developing countries are subject to economic shocks associated with the openness of their economies, and their resulting heavy dependence on the external sector. They also experience economic shocks related to the occurrence of natural disasters.

External economic shocks

33. Most island developing countries have small economies, and because of this they tend to be extremely open economies. A good indicator of that openness is the ratio of visible imports to GDP. For most developing countries this is of the order of 20 per cent. In 1989, for a sample of 30 island developing countries with a population of under 5 million for which data are available, the ratio of imports to GDP was over 100 per cent in 8, over 66 per cent in 18 and over 50 per cent in 24. Data are not available for the smallest island developing countries, and in these one may expect even higher degrees of openness.

34. The extreme degree of openness of these countries' economies makes their future prospects dependent on external relations of trade, aid, technology flows and investment. It also makes them, particularly the small ones, very susceptible to various kinds of external economic shocks, including (a) fluctuations in prices and shifts in demand for primary commodities; (b) changes in the rules of access to developed country markets; (c) changes in tourist demand; (d) changes in host country policies towards migrant workers from island developing countries; and (e) shifts in aid policies.

35. Instability indices for merchandise exports suggest that in countries with less than 5 million population export instability tended to be more prevalent in island developing countries than in other small developing countries. In a sample of 74 countries for which data is available, 18 island developing countries (out of 34 in the sample) had an instability index of 20 or more during the period 1980-1990, while only 11 non-island developing countries (out of 40 in the sample) had that degree of export instability.

36. In the period 1980-1990, for island developing countries with less than 5 million population, export instability was greatest in the Comoros, Maldives, Antigua and Barbuda, Cape Verde, the Cook Islands, Kiribati, Montserrat, Nauru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Seychelles, Tonga, Tuvalu, Vanuatu, Western Samoa, the Netherlands Antilles and Bermuda. With the exception of Fiji, export instability seems to be a particularly acute problem in the Pacific, and data on the terms of trade shows that in the 1980s, while the Pacific Islands did not, like Latin America and sub-Saharan Africa, suffer declining terms of trade, they did suffer extreme volatility in the terms of trade. 6/

Economic shocks due to natural disasters

37. The high occurrence of natural disasters with devastating effects in island developing countries is well known. Tropical cyclones (hurricanes and typhoons), the eruption of volcanoes, earthquakes and landslides have caused enormous material damage and loss of life to many islands. This is due to several factors. Tropical cyclones are essentially a feature of warm oceans and coastal regions. They hit smaller islands much harder because the same winds over larger land masses and temperate seas decrease in intensity and violence. Volcanoes, earthquakes and high mountain ranges, of which islands are often the highest points, are mostly concentrated in quite narrow active zones. These active zones are associated with the boundaries between the 15 or so rigid lithosphere plates of which the Earth's outer shell is composed. Along such active zones, stretching down the Pacific, Indian Ocean and the Atlantic, are located the island tips of submarine ranges that are particularly prone to seismic and volcanic activity.

38. Over the past decade numerous incidents have occurred, all of them adversely affecting economic and social activities: for example, in the Pacific, cyclones followed by prolonged drought in 1983 and 1985 damaged sugar and other crops in Fiji. As a consequence sugar output fell by more than 40 per cent. In 1982, Hurricane Isaac destroyed 50 per cent of housing and 90 per cent of the banana crop in Tonga. In the Caribbean, the outbreak of the Soufrière volcano in Saint Vincent caused devastating material damage; in Dominica, hurricanes left three quarters of the population homeless in 1980; in Saint Lucia, Grenada and Saint Vincent on three occasions during the 1980s banana cultivation, citrus, coconuts and large parts of the countries' infrastructure were seriously damaged. In 1989, destruction of housing and crops by hurricanes was near to total on Montserrat, and hurricanes caused heavy damage to most of the other Caribbean islands.

39. The most recent data attempting to measure the degree to which countries are prone to disasters in terms of their economic impact show that of the 25 most disaster-prone countries in the period January 1970 to 1989, 13 were island developing countries. Particularly disaster-prone over the period were Montserrat, the Cook Islands, Vanuatu, Tokelau, Dominica, Saint Lucia, Antigua and Barbuda, Saint Kitts and Nevis, Comoros, Saint Vincent and the Grenadines, Jamaica, Mauritius and Tonga. The economic damage caused by the average significant disaster, when expressed as a percentage of 1980 GNP, was

58 per cent in Vanuatu (which experienced four such disasters over the period), 47 per cent in Dominica (which experienced three), 40 per cent in Saint Lucia (which experienced two), 20 per cent in the Comoros (which experienced three), 18 per cent in Saint Vincent and the Grenadines (which experienced 2), 13 per cent in Jamaica (which experienced five), 10 per cent in Mauritius (which experienced four) and 10 per cent in Tonga (which experienced five). 7/ These figures show that large-scale disasters are not confined to island developing countries. However, natural disasters are a particular problem in island developing countries because the effects are pervasive and often totally devastating. The particularly disaster-prone developing countries that are not island developing countries tend to be suffering from drought.

2. Economic resilience

40. The resilience of an economy is its capacity to respond to shocks of various kinds and to adapt creatively to changes in the external environment. The resilience of island developing countries to economic shocks is lowered by a range of factors, most notably: (a) inflexible specialization; (b) smallness of land area; (c) limited institutional capacities; (d) lack of "stand-by" infrastructures; and (e) low debt-service capacity.

41. The extreme smallness of most of their economies is a major source of low resilience. While other developing countries are also small, island developing countries are heavily represented at the smallest end of the scale, whether smallness is measured by population, land area or size of economy. 8/ In terms of land area, for example, the non-island developing country with the smallest land area (the Gambia: 11,295 square kilometres) is more than 10 times larger than 34 of the island developing countries listed in the annex, table 1, while only 12 island developing countries (out of 54) had a land surface area larger than that of the Gambia.

42. Large economies can absorb a local natural disaster by spreading its costs over the rest of the economy unaffected by disaster. In a small economy, there is likely to be no sector or area unaffected by the disaster. A local disaster can be a national disaster, as its effects are all-pervasive and damaging. Also a large economy will naturally have stand-by or substitute facilities. In a small economy, because of indivisibilities, the smallest unit of a great number of necessary facilities is larger than can be fully utilized. In such a situation substitute or stand-by facilities cannot be justified. High per capita costs of infrastructure also entail high per capita costs of reconstruction.

43. Island developing countries are not just generally very small countries. They are also, by definition, insular (which may be defined by such indicators as the ratio of the length of coastline to land area, or by the extent to which climate is influenced by maritime or continental conditions). Associated with insularity is in many cases physical remoteness from major markets and supply sources. An indicator of this is provided by the fact that

the islands of the Caribbean are separated from a market of more than 500,000 people by an average distance of 700 kilometres, those of the western Indian Ocean by 1,800 kilometres, and those of the Central and Western Pacific by nearly 3,000 kilometres. Moreover, many island developing countries have an archipelagic form, which results in high internal transport costs, problems of national integration and internal administration, and high costs (or incomplete coverage) of physical and social infrastructure. The low resilience of most island developing countries is related to the interaction between smallness and insularity. 9/

44. A further aspect of the low resilience of small island developing countries is their financial situation, which combines a low debt-service capacity with high dependence on official development assistance and difficulties in securing access to private external finance. This is a precarious situation for the 1990s if aid flows to island developing countries are reduced, trade preferences are eroded and protectionist measures in developed countries stifle the development of non-traditional exports. The difficulties in securing access to private external finance arise from the costs of raising small loans, and insufficient expertise and administrative capacity to make use of international capital markets.

3. Vulnerability and sustainable development

45. An important extension of the concept of vulnerability is to link it to the notion of sustainable development. Sustainable development aims at achieving both efficient economic performance and ecological sustainability, as well as equity, at all levels of development. 10/ Such development seeks to meet the needs of the present without compromising the ability of the future generations to meet their needs. 11/ From this perspective, a vulnerable economy is not simply one that is subject to frequent shocks and has little resilience in the face of those shocks, but also one in which, in the long term, sustainable livelihoods cannot be guaranteed.

46. Island developing countries will have difficulty in achieving sustainable development in the 1990s not only because key sources of their growth in the recent past may be undermined, but also because of environmental problems. These problems are intimately related to the economic development patterns in these countries and the pressures on the environment they establish. At the same time, the preservation of environmental assets is critical to sustain growth in key economic sectors.

Pressures threatening the degradation of renewable resources

47. Islands tend to have fragile environments and, unfortunately, economic pressures threaten the degradation of renewable resources. Agriculture in many island developing countries is characterized by a combination of large-scale commercial production of cash crops for export (which was formerly based on plantation systems in the Caribbean islands and the islands of the Atlantic and Indian Ocean), and a relatively smaller sector that

produces food crops for local consumption. This structure is in transition, driven by changing world markets, trade imbalances, the quest for food security and growing populations. Expansion of export crops has been concentrated on the better land, while production of food crops has been expanding towards a frontier that is marginal for agriculture. Deforestation is also occurring, as for most small island developing countries wood and charcoal is the only indigenous source of energy.

48. The pressure towards coastal development, mainly in tourism and agriculture, has led to the unplanned utilization of beaches, wetland and mangrove swamps, and to the intensive use of fertilizers and pesticides.

49. Finally, islands are under pressure to provide sites for waste disposal, deep-water transshipment centres, cruise ship ports, and other off-shore activities that all have an adverse effect on the environment. These activities can provide possible short-term economic benefits, but they also can contribute to the long-term unsustainability of livelihoods in some countries. Managing the trade-off between economic growth, meeting basic needs and conserving and enhancing the natural resource base is particularly complex in the fragile ecosystems of island developing countries.

Exhaustion of non-renewable resources

50. Some countries face a situation where their non-renewable resources will be exhausted by the end of the century. Resources are near depletion in Trinidad and Tobago (oil); Nauru (phosphates); Bahrain (oil); the Bahamas and the Turks and Caicos Islands (argonite); and Fiji, the Solomon Islands and Vanuatu (gold).

Rare ecosystems

51. Fragile island ecosystems have often evolved in isolation. This has led to the development of rare ecosystems that are part of the world's genetic resources. But these ecosystems can be devastated by epidemics introduced from outside. Islands are also important for global species diversity. It is estimated that of the hundred species of birds that have become extinct over the past 400 years, nine tenths were island species. 12/

Global warming and sea-level rise

52. A particularly dramatic problem facing low-lying coral atoll islands is sea-level rise associated with global warming. Those islands whose physical survival is most threatened are Maldives, Tuvalu, Kiribati, Tokelau, the Cocos and Keeling Islands, the Northern Cook Islands, and some islands of Tonga and the Caribbean. The low level of these islands means that small low-level rises will result in proportionately large land losses, but other islands will also be affected by global warming, particularly if it results in more cyclones.

III. CONSTRAINTS, CHALLENGES AND DEVELOPMENT POTENTIALS

53. Island developing countries, particularly the small and remote ones, suffer handicaps arising from the interplay of such factors as their vulnerability to natural disasters; lack of natural resources; the fragility of their ecosystems; depletion of non-renewable resources; high costs of infrastructure and public service provision associated with a lack of economies of scale; a demographic structure with a large proportion of young and old people (because of emigration); shortage of skilled personnel, both entrepreneurial and administrative (associated with emigration and the small available pool of talent); a highly limited internal market; heavy dependence on imports; and, in some, an acute problem of obtaining freshwater supplies. These handicaps limit development potentials.

54. A particular area that critically affects the development potential of island developing countries is transport and communications. Many small and remote countries are at a particular disadvantage in this regard.

A. Transport problems of island developing countries

55. Remoteness and smallness both contribute to high transport costs for many island developing countries, inflating the costs of imports and reducing the price of exports. In small island developing countries, low volumes of individual shipments and the frequent imbalance between the export and import volumes act as pervasive factors bolstering higher levels of transport costs. Furthermore, technological innovations in air and sea transportation in the form of long-haul wide-bodied passenger jets and increased containerized cargo traffic have paved the way for economies of cargo size whereby island developing countries with limited cargo availability are left out of major trunk routes entirely, or at best are only very infrequently called upon by ocean liners. And indeed several of the smaller ones do not have deep-sea water facilities to handle bigger vessels. Alternative arrangements for connecting such countries to the nearest major port entail further additional transportation costs. The fact that the overseas trade is fragmented in the form of small consignments (particularly with respect to imports) shipped on numerous vessels weakens the bargaining position of the small remote island developing countries vis-à-vis suppliers and shippers who have the leverage to raise the transportation costs. Indeed, the virtual dependence of many of these countries largely on one mode of transport that is outside their control is a major problem for them.

56. A further aspect of the transport problem of many island developing countries arises from their archipelagic nature. Outer island development is severely constrained by poor inter-island shipping services, which have been in decline since the 1970s. 13/ Inter-island vessels carried consumer goods outwards from port towns and returned with primary commodities such as copra, bananas and fresh products. They also transported passengers in both directions. The deterioration in service is evident in low investment in

shipping resulting in a lack of facilities to carry produce, and passenger accommodation, which has increasingly been regarded as unacceptable by island people.

57. When the reliability of shipping services began to decline, economic depression set in rapidly in outer islands. By the late 1980s, a very large number of small island communities were more economically and socially disadvantaged than at any time in their recent history.

B. The challenge for island developing countries in the 1990s

58. The economic implications of the handicaps of island developing countries, including their transport problems, are not fixed and static. In the 1990s, island developing countries, particularly small ones, face new challenges because of a changing international trading environment.

59. The unattractiveness of many island developing countries to foreign direct investment is one aspect of their possible future marginalization within the world economy. Although the globalization of production is occurring on a world-wide scale, it is extremely unlikely that most island developing countries, particularly the small ones, will develop their own transnational corporations, with a headquarters and home base on the islands; and it is also probable that many island developing countries, particularly small ones, will be seen as irrelevant to the global strategies of most transnational corporations based in developed countries and other developing countries.

60. Island developing countries could also be adversely affected by the emergence and evolution of major regional groupings in the world economy. Many are concerned about the potential dilution of aid benefits to African, Caribbean and Pacific countries that may occur as the European Economic Community (EEC) evolves. The future shape of the North American Free Trade Area (NAFTA) and the evolution of the Enterprise for the Americas Initiative also particularly concerns Caribbean island developing countries. A NAFTA that implements free trade between the United States and Mexico without providing in some way for the status of Caribbean Basin Initiative (CBI) benefits would adversely affect CBI beneficiary countries. The damage would be in reducing the preferential advantage of Caribbean and Central American countries in direct competition with Mexico for export markets and the attraction of investors. This change in the relative position of Mexico and the CBI countries would occur not because the CBI countries' access would be made less, but because their Mexican competitors' access would be made greater. 14/

61. Finally, while the globalization of production and development of major regional economic blocs could threaten the island developing countries, particularly small ones, new approaches to organizing production and competing in the world economy in the 1990s open new opportunities for many such countries.

62. The rising significance of flexible specialization as a mode of organizing production offers the possibility of reducing vulnerability of their economies through a niche-filling export strategy with a variety of small-scale, flexible but specialized producers. In implementing this strategy, investment in information intensive non-physical infrastructure and human resource development become centrally important. 15/

C. Areas of development potential for island developing countries

63. In assessing the development potential and possible international advantages of island developing countries against this background, it is important to emphasize that development potential is based not simply on factor endowment (as captured in the traditional concept of comparative advantage), but also on factor creation (expressed by the more dynamic concept of competitive advantage). Factor creation depends on governmental policies that can upgrade factors (such as educational institutions, research bodies and infrastructures), and more broadly on an environment that fosters technology dynamism. 16/

64. Specific policy measures that national Governments can undertake to promote competitive advantage include: (a) better policy management to maintain an appropriate macroeconomic framework and incentives structure, so that the efficiency of resource utilization is increased, capital flight minimized, and skilled workers encouraged to stay; (b) human resource development, including, in particular, the promotion of indigenous enterpreneurial capacities and education for environmental awareness; (c) infrastructural investment, particularly in transport and telecommunications; and (d) careful environmental management.

65. The greatest development potential for island developing countries lies in an outward-oriented, focused and flexible strategy that seeks high-value niches in export markets. It can broadly be suggested that: (a) services have a high growth potential as an export sector in island developing countries; and (b) flexible specialization, as a method of organizing production within economic units, offers much potential for those countries to increase their international competitiveness and responsiveness to shocks and external changes. Finally, it should be stressed that those countries which have favourable land resources should not neglect the potential of agriculture and all need to assess the potential of exploiting the marine resources of their exclusive economic zones.

1. Service exports

66. The specific characteristics of services, including their factor content, must be taken into account in assessing the potential to promote service exports. 17/ Many island developing countries have some comparative advantage, and can build further competitive advantage, in the types of service in which there is cross-border movement of consumers to service producers, and in the cross-border movement of labour (such as shipping crews or construction workers). The types of service activities include tourism; training and education (such as offshore medical schools); offshore finance activities and company formation; and electronic data entry.

67. Tourism and offshore finance activities have been shown to have development potential in a number of island developing countries, both small or large. Bermuda is the world leader in the captive insurance business and in several Caribbean islands the number of registered companies exceeds the adult population. Offshore banking is important in the Bahamas, the Cayman Islands and Vanuatu. Offshore company formation is important in the British Virgin Islands, the Turks and Caicos Islands, Montserrat, Anguilla, Curaçao (in the Netherlands Antilles) and the Cook Islands. In 1991 there were over 50,000 international business companies registered in the British Virgin Islands, a territory of 17,000 people. The provision of open registry (flags of convenience) facilities for shipping are offered by the Bahamas, Bermuda, Cyprus, Mauritius, the Netherlands Antilles and Vanuatu, and Maldives has also attempted to establish this activity.

68. For tourism there are major opportunities for promoting greater domestic linkages. This may be with other service sectors but also with agriculture and manufacturing, industry, local handicraft, food production, building materials and garments. Tourism potentials are also best developed on the basis of the "new tourism" (based on human creativity, innovation and environmental sensitivity) rather than the old mass tourism.

69. Environmental assets and the unique exoticism of tropical islands provide the factor endowment on which tourism is based. But some island developing countries have been able to exploit particular segments of the tourist sector because of special features, for example, favourable waters conducive to yacht chartering and board sailing (e.g. the Bahamas, the Virgin Islands, Cape Verde), and ecotourism on islands endowed with a luxuriant nature (e.g. Dominica, Grenada and Seychelles). The proximity of the large tourist market in North America creates major advantages for many Caribbean islands in this sector, while cultural heritage may be important in the Pacific. Proper management of environmental assets is essential for the sustainability of tourism.

70. Political stability, which has generally prevailed in island developing countries (with some notable exceptions: Grenada, 1983; Fiji, 1987; Trinidad and Tobago, 1991; and Haiti) is a basic condition for the success of tourist activities and offshore finance. Developing an offshore finance centre also depends on good telecommunication systems, proximity to wealth, and a

relationship of trust between foreign investors and offshore operators based on the islands (banks, insurance companies, trust companies). Confidence can be seriously affected by evidence of corruption (money laundering), threats of nationalization or any restrictions to free enterprise or profit repatriation.

2. Flexible specialization as an approach to organizing production

71. The key features of flexible specialization as a strategy of production and its organization are: (a) the adaptability of production systems to movements in market demands; (b) the customization of products to particular segments of the market; (c) a capacity for continuous innovation in both process and product; (d) a focus upon economy of working capital, through such means as just-in-time production, low defect rates and making to order; (e) a focus upon continuous learning both within enterprises, between any one enterprise and its suppliers, its final markets and its competitors; (f) the labour in the enterprise is seen as an asset rather than a cost - a repository of skills and ideas, and crucial to ensuring quality at the point of production; and (g) the organization of the production system as a whole involves a mixture of decentralization (to small firms and plants) and centralization (of certain indivisible and collective services) as well as interplant specialization to ensure economies of scale. 18/

72. The essence of this approach would be to compete on the basis of products rather than price, and to do so by creating particular niches in a variety of small-scale, but high value-added industries, in which design would be a major component and in which all aspects of production from management, design, distribution and sourcing to strategic thinking would be flexible.

73. This approach has been advocated for export manufacturing in a number of island developing countries. These include Fiji, 19/ where it is called a "niche-filling export strategy", and goods such as spirits (like particular Caribbean rums), watches (such as Swatch) and fashion garments have been identified as illustrative areas of potential; Cyprus 20/ and the Dominican Republic are other examples. 21/ The Government of Cyprus has now explicitly adopted flexible specialization as an approach to industrial restructuring.

74. In all these cases, flexible specialization is seen as an approach to export-oriented manufacturing that avoids the pitfalls of attempting to achieve international competitiveness through low wages, devaluation and the provision of more alluring fiscal and financial incentives than other developing countries.

75. Flexible specialization is particularly relevant for island developing countries seeking to develop an export manufacturing sector, but the potential for utilizing flexible specialization in the development of tourism has also been noted in the Caribbean. 22/ And there may also be development opportunities for a niche-filling export strategy in agriculture (e.g. Tonga's squash exports to Japan) and mariculture (e.g. lobsters and shrimps).

3. Marine resources of exclusive economic zones

76. Within some island developing countries that are relatively favourably endowed with fertile land, the potential of agriculture should not be neglected. The marine resources of lagoons and reefs, and more broadly of the exclusive economic zones, also offer development potential. This, however, varies between countries. Although 16 small island developing countries have exclusive economic zones in excess of 500,000 square kilometres, for others, in the eastern Caribbean, exclusive economic zones are relatively small.

77. The resources of the zones include fisheries (particularly for tunas); other living resources, notably seaweed; marine mineral resources (placers, polymetallic nodules, polymetallic sulphates and phosphorite nodules); and marine energy resources, including offshore oil and gas (for which there is potential in the Caribbean), and other forms of power such as tidal power, wave power, ocean thermal energy conversion, energy devised from differences in saline gradients and marine biomass.

78. Some island developing countries, for example Maldives, Mauritius and Seychelles, have developed fish export industries, but for most the constraints on earning foreign exchange in this way are insurmountable. They include initial capital costs; energy consumption costs; lack of trained manpower; and lack of onshore infrastructure. The sale of fishing rights is an alternative, but returns from this activity are estimated to be less than 1 per cent of the final consumer price of processed tuna.

79. One way of developing the marine resources of the exclusive economic zones would be to use these resources to reduce dependency on imported food and energy. 23/ This would require a different approach to the exploitation of marine resources, focusing on support for artisanal fishing, developing appropriate technologies for the exploitation of marine energy sources and promoting mariculture. But import substitution opportunities must be tackled with a view to efficiency. Self-sufficiency for its own sake is not advisable.

80. In whatever way the resources of the exclusive economic zones are exploited, a necessary prerequisite is carrying out surveys to make an inventory and assessment of marine resources. Current knowledge of the resource base is generally weak and the skills to carry out resource assessment are not generally available within most island developing countries.

IV. POLICY RECOMMENDATIONS FOR NATIONAL, REGIONAL AND INTERNATIONAL ACTION

81. These policy recommendations draw largely on the deliberations of the expert group that met in Geneva on 15 and 16 July 1992, and focus upon new ideas and thinking that goes beyond elements of the strategic framework agreed in the meeting of government experts of island developing countries and donor countries and organizations held in New York from 25 to 29 June 1990.

82. The key to reducing the vulnerability of island developing countries and to achieving sustainable development lies in developing the capacity to respond to shocks and changes in the external environment. The nature of these countries is such that trade in goods and services, international capital flows and international migration will continue to play a significant role in their patterns of development. Their economies are necessarily very open. Also their generally small size implies that they cannot seek to promote a very wide range of economic activities. Therefore their national development policy should as a general strategic orientation be outward oriented in the sense that it should not seek to close off the economy from the rest of the world. Policy should also encourage flexibility, together with some sort of focus within the economy.

83. In the increasingly competitive world of the 1990s it is important that island developing countries seek to increase their international competitiveness. This presents particular problems to many of them. They are high-cost economies because of the lack of economies of scale in infrastructure and public service provision, and because of transport problems. However, these countries can effectively gain competitive advantage through a niche-filling export strategy, which seeks to meet the needs of particular narrow segments of market demand, such as yacht chartering, ecotourism, fashion garments or exotic spirits. Government support for this should not consist in "picking winners" in the sense of seeking to identify, in final and absolute detail, the precise niches in which entrepreneurs should specialize. Rather, Governments should provide a broad focus for the economy and establish an enabling environment that encourages and supports entrepreneurial activity, particularly by indigenous entrepreneurs. Government support to build creative interrelationships between small business firms in broadly interrelated activities is particularly desirable.

84. Island developing countries should explore the concept of flexible specialization as the basis for a development strategy linked to world trade, and capable of responding to new consumer-driven demand.

85. Flexible specialization is an approach to organizing production and competing in world markets that can offer many advantages to island developing countries and can reduce their vulnerability. Its attraction lies in its applicability to small-scale production; its in-built responsiveness to external changes; the fact that it competes on the basis of products rather than prices; and the high value-added of its output. It is particularly relevant to those island developing countries that have developed export manufacturing, as these activities are mainly characterized by subcontracting industries such as textiles and garments where value-added tends to be low, and to island developing countries that intend to develop export manufacturing activities in particular niches. But flexible specialization as an approach to organizing production is relevant to the service sector (especially tourism) and agriculture as well as manufacturing.

86. While in those island developing countries which are relatively well-endowed with fertile land and lagoon and marine resources the potential

of agriculture and fishing should not be neglected, countries should actively explore service export strategies. The service sector has high growth potential in island developing countries, particularly as it contains activities that are scale-neutral and suitable for resource-poor economies. Tourism can be a very valuable economic sector, though its sustainability depends on the maintenance of environmental assets. Tourism can also generate backward and forward linkages within the economy, though this potential is not generally realized in island developing countries. In developing tourism, efforts should therefore be made to encourage forward and backward linkages within the domestic economy to agriculture, marine resource development, local manufacturing, construction, transport and other service sectors. Tourist developments should also be environmentally sensitive.

87. In achieving the strategic objectives of island developing countries, it is important to reiterate the recommendations of the strategic framework that emphasize the importance of human resource development and infrastructural investment. However, increased stress should also be placed on the importance of environmental management, particularly in coastal zones, owing to the deterioration of environmental assets that underlie key economic sectors. In careful environmental management, integrated resource management (land and sea) was needed, and also appropriate pricing principles should be applied. There is an urgent need for programmes of "education for sustainable development" aimed at policy makers, young people and the general population. Such programmes should emphasize necessary changes in attitudes and values.

88. In some island developing countries there is scope for deregulating the economy and enabling more contributions to be made by the private sector to development. This was important in some countries because the public sector had an extensive role in the economy and poor economic management reduced the efficiency of resource utilization.

89. A variety of regional arrangements have been set up by island developing countries, and their economies have been assisted by regional initiatives under such organizations as the Caribbean Development Bank and the Pacific Forum Fishery Agency. But there is scope for further regional cooperation measures, particularly amongst island developing countries that are in close geographical proximity, and also for the identification of "best practice" in approaches to regional cooperation. In view of this, existing regional efforts to meet the needs of island developing countries must be assessed.

90. Regional cooperation is a way of addressing the problem that island developing countries are high-cost economies (by developing common services to reduce per capita costs of infrastructure and public service provision, and by developing a regional transport system). Among specific functional tasks that could usefully be part of regional cooperation measures, high-technology medicine, the negotiation of multilateral fishing agreements, private sector development, outer island development and environmental management are new elements that should be added to the proposals of the strategic framework.

91. As the 1990s will be a period of considerable change in international trade networks, shifts in economic activities, competition for assistance and change in policies related to trade preferences, island developing countries should be kept informed of international developments on a regional basis. There is a need to conduct regional seminars on such matters as the outcome of the Uruguay Round, the Single European Market, and the emergence of new regional groupings such as NAFTA. The seminars should provide insights into the implications of these developments for island developing countries.

92 With regard to action at the international level, the importance of the removal of protectionist measures in developed countries for the development prospects of island developing countries must be emphasized. Because of the dependence of some of them on trade preferences, financial resources at concessional rates should be made available to complement trade preferences by helping to encourage the establishment and rationalization of production units, the acquisition of technology, the provision of export credits, the building of information facilities and access to external markets. Also donor countries and countries providing trade-related concessions to island developing countries should avoid additional shocks to their economies that would follow from sudden alterations in aid and trade policy.

93. The greenhouse effect will lead to global warming, and this is likely to result in increased severity and frequency of tropical storms, thus making small islands even more vulnerable. Another related problem of global warming is the probability of sealevel rise. Even a small increase will affect valuable coastal wetlands, beaches and freshwater supplies. Coral reefs may also be eroded by waves generated at higher sea levels, with the loss of resources and flooding.

94. International assistance to mitigate the consequences of global warming and sealevel rise should therefore be provided to island developing countries. It should include regional-level discussion of plans for the future, and of issues and options related to storm disasters and sealevel rise. This should be closely aligned with the monitoring system through the United Nations Educational, Scientific and Cultural Organization (UNESCO) and other agencies as a basis for advice and action.

95. Finally, it must be reiterated strongly that the GNP per capita index does not adequately capture the special vulnerabilities of island developing countries. For this reason, the establishment of a family of indicators of vulnerability of island developing countries is a useful exercise. This is especially so in the case of small ones that are being disqualified from certain financial and technical assistance owing to their relatively high GNP per capita ranking.

96. The expert group that met at Geneva on 14 and 15 July 1992 suggested that there was a need to explore ways and means of increasing the international competitiveness of island developing countries. Furthermore, the expert group reviewed the topics recommended by the intergovernmental group of experts from island developing countries, donors and organizations held in New York in 1990 and suggested the following further specific studies on:

(a) The measurement of vulnerability, paying particular attention to (i) how to capture different aspects of vulnerability; (ii) how to measure vulnerabilities in a way that had operational applicability; and (iii) how to relate the issue of vulnerability to island developing countries;

(b) The potential of new technologies, particularly micro-electronics, for island developing countries, and the opportunities it establishes for them;

(c) The potential of flexible specialization as an approach to organizing production for island developing countries, identifying particularly successful cases of its implementation;

(d) Case-studies of (i) the impact of natural disasters on island developing countries; and (ii) successful experiences in promoting development in island developing countries;

(e) Island developing countries' experience with regional cooperation and integration schemes, identifying successes and failures, and drawing lessons for the future.

97. The expert group agreed that UNCTAD, as the focal point for island developing countries, would be an appropriate institution to continue work on the above studies, and also to promote workshops on the implications for island developing countries of the outcome of the Uruguay Round, the development in EEC and the emergence of new major regional groupings in the world economy.

Notes

1/ Some alternative definitions of "smallness" and "micro-States" are set out in Hein (1985) "The Study of Micro-States", chap. 2, in E. Dommen and P. Hein (1985) eds., States, Micro-States and Islands, Croom Helm, London.

2/ World Bank (1991), Pacific Island Economies: Towards Higher Growth in the 1990s, p. 6.

3/ World Bank (1992), Caribbean Region: Current Economic Situation, Regional Issues and Capital Flows, 1992, p. 6.

4/ The term "external rental income" is from ESCAP (1989), Economic and Social Survey of Asia and the Pacific. It is used in a discussion of patterns of growth and structural transformation in Pacific island developing countries.

5/ Hein, P. (1989), "Structural Transformation in an Island Country: The Mauritius Export Processing Zone (1971 to 1978)", in UNCTAD Review, vol. 1, No. 2, pp. 41-58.

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6/ World Bank (1991), The Pacific Island Economies: Toward Higher Growth in the 1990s.

7/ These figures are based on UNDRO (1990), Preliminary Study on the Identification of Disaster-Prone Countries Based on Economic Impact. "Significant" disasters are defined as any which cause damage equivalent to over 1 per cent of 1980 GNP in a country. The data include as disasters non-civil strife and displaced persons, as well as natural disasters such as earthquates and cyclones.

8/ See Briguglio, L. (1992), Preliminary Study of the Construction of an Index for Ranking Countries According to their Economies' Vulnerability.

9/ Searwar, L. (1990), Intrinsic Disabilities of Island Developing Countries (UNCTAD/RDP/LDC/31).

10/ UNCTAD (1992), A New Partnership for Development: The Cartagena Commitment (TD (VIII)/Misc.4).

11/ World Commission on Environment and Development (1987), Our Common Future.

12/ Gorman, M. L. (1979), Island Ecology.

13/ See Couper, A. C. (1990), The Problems of Inter-Island Transport (UNCTAD/RDP/LDC/32).

14/ Lewis, D. (1991), "NAFTA's Impact on Caribbean Economies", Caribbean Affairs, vol. 4, No. 4, pp. 60 and 61.

15/ See Murray, R. (1992), "Flexible Specialization in Small Island Economies: The Case of Cyprus", in F. Pyke and W. Sengenberger, eds., Industrial Districts and Local Economic Regeneration, International Institute for Labour Studies, Geneva; and I.D.S. Bulletin, special issue on "Flexible Specialization: A New View of Small Industry", vol. 23, No. 2, July 1992.

16/ UNCTAD (1992), UNCTAD VIII: Analytical Report by UNCTAD Secretariat to the Conference.

17/ Martinelli, F. (1991), "Services, Trade and Development", in UNCTAD, Services in Asia and the Pacific: Selected Papers, vol. 2.

18/ See Murray, R. (1992), "Flexible Specialization in Small Island Economies: The Case of Cyprus", in F. Pyke and W. Sengenberger, eds., op. cit.

19/ World Bank (1987), Fiji: The Transition to Manufacturing.

20/ UNIDO (1987), Cyprus Industrial Strategy Vol. I. Overview and Executive Summary.

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21/ UNDP (1991), An Industrial Strategy for the Dominican Republic: Main Report.

22/ Poon, A. (1990), "Flexible Specialization and Small Size: The Case of Caribbean Tourism", World Development, vol. 18, No. 1, pp. 109-127.

23/ Dolman, A. J. (1986), Small Island Developing Countries and the Development Potential of Exclusive Economic Zones (UNCTAD/ST/LDC/7).

ANNEX

Statistical tables

Table 1. Island developing countries: geographic/demographic data

Country or territory	Population (000) 1990	Land area (km^2)	Density (inhabitants per km^2) 1990	Urban population (%) 1990	Exclusive economic zone (000 km^2)	Maximum length a/ (km)	Dispersion factor b/ "degree of isolation" M/person 1990	Population growth rate (%) 1980-1990
A. States Members of the United Nations								
1. Population 1 million or over								
Indonesia	184 283	1 904 569	97	31	-	5 295	0.03	2.0
Philippines	62 413	300 000	208	43	-	1 800	0.03	2.6
Sri Lanka	17 217	65 610	262	21	-	450	0.03	1.5
Madagascar	12 004	587 041	20	24	-	1 598	0.13	3.2
Cuba	10 608	110 861	96	75	-	1 250	0.12	0.9
Dominican Republic	7 170	48 734	147	60	-	390	0.05	2.3
Haiti	6 513	27 750	235	28	-	320	0.05	1.9
Papua New Guinea	3 874	462 840	8	16	-	1 875	0.48	2.3
Singapore	2 723	618	4 406	100	-	40	0.01	1.2
Jamaica	2 456	10 990	223	52	-	235	0.10	1.4
Trinidad and Tobago	1 281	5 130	250	69	77	210	0.16	1.7
Mauritius	1 082	2 040	530	41	1 183	1 255	1.16	1.1
2. Population less than 1 million								
Fiji	764	18 274	42	39	1 135	1 080	1.41	1.9
Cyprus	701	9 251	76	53	99	225	0.32	1.1
Comoros	550	2 235	246	28	-	175	0.32	3.4

.../...

Table 1 (continued)

Country or territory	Population (000) 1990	Land area (km^2)	Density (inhabitants per km^2) 1990	Urban population (%) 1990	Exclusive economic zone (000 km^2)	Maximum length a/ (km)	Dispersion factor b/ "degree of isolation" M/person 1990	Population growth rate (%) 1980-1990
Bahrain	516	678	761	83	-	60	0.12	4.0
Cape Verde	370	4 033	92	29	-	323	0.87	2.5
Malta	353	316	1 117	87	66	50	0.14	-0.3
Solomon Islands	320	28 896	11	11	1 116	1 450	4.53	3.6
Brunei Darussalam	266	5 765	46	58	-	150	0.56	3.7
Barbados	255	430	593	45	167	34	0.13	0.2
Bahamas	253	13 878	18	64	759	869	3.43	1.9
Maldives	214	298	718	29	959	848	3.96	3.1
Samoa	159	2 831	56	22	96	165	1.04	0.3
Vanuatu	158	12 189	13	26	857	720	4.56	3.1
Saint Lucia	150	622	241	46	68	50	0.33	1.9
Sao Tome and Principe	121	964	126	42	-	220	1.82	2.6
Saint Vincent and the Grenadines	116	388	299	21	68	92	0.79	1.2
Federated States of Micronesia	99	703	141	-	-	2 800	28.28	2.7
Grenada	85	344	247	-	27	76	0.89	-0.6
Dominica	82	751	109	-	20	47	0.57	1.0
Antigua and Barbuda	76	440	173	32	-	115	1.51	0.1
Seychelles	69	280	246	59	1 349	1 220	17.68	0.9
Saint Kitts and Nevis	44	261	169	49	68	43	0.98	-0.1
Marshall Islands	39	171	228	-	-	1 300	33.33	2.7
B. Others (Population less than 1 million)								
Netherlands Antilles (excluding Aruba)	188	800	235	55	-	876	4.66	0.8
Guam	118	541	218	53	-	48	0.41	1.1

Table 1 (continued)

Country or territory	Population (000) 1990	Land area (km^2)	Density (inhabitants per km^2) 1990	Urban population (%) 1990	Exclusive economic zone (000 km^2)	Maximum length a/ (km)	Dispersion factor b/ "degree of isolation" M/person 1990	Population growth rate (%) 1980-1990
United States Virgin Islands	116	342	339	54	-	83	0.72	1.7
Tonga	95	747	127	21	596	700	7.37	-0.2
Kiribati	72	726	99	36	3 550	4 500	62.50	2.1
Aruba	60	193	311	-	-	31	0.52	-0.6
Bermuda	58	53	1 094	100	422	25	0.43	0.7
Cayman Islands	25	259	97	100	124	182	7.28	3.9
Northern Mariana Islands	22	477	46	-	-	690	31.36	2.6
Cook Islands	18	236	76	25	1 830	1 450	80.56	-0.2
Palau	17	441	39	-	-	690	40.59	2.7
British Virgin Islands	13	153	85	-	288	60	4.62	1.7
Monserrat	12	102	118	12	34	18	1.50	0.5
Turks and Caicos Islands	10	430	23	51	342	140	14.00	2.8
Nauru	9	21	429	-	431	5	0.56	1.8
Tuvalu	9	26	346	-	857	680	75.56	1.1
Anguilla	7	96	73	-	17	25	3.57	1.0
Niue	3	260	12	23	390	20	6.67	-1.9
Tokelau	2	12	167	-	290	179	89.50	-
All island developing countries	318 238	3 636 096	88	35	-	-	-	2.1
Small island developing countries c/	6 614	109 913	60	46	-	-	-	1.9
Least developed countries	508 588	19 914 886	26	22	-	-	-	2.7
All developing countries	2 852 900	66 363 171	43	39	-	-	-	2.4

(Source and footnotes on following page)

.../...

(Source and footnotes to table 1)

Source: UNCTAD secretariat calculations based on data from the United Nations, World Population Prospect 1990, and other international sources.

a/ Distance in a straight line between the extreme points of the country.

b/ The distance between the inhabitants if all were distributed in a straight line along the longest dimension of the country. This is a simple indicator of the difficulties of communication among the inhabitants.

c/ Island developing countries with population of less than 1 million.

Table 2. Island developing countries: social indicators

Country or territory	Average life expectancy at birth (years) M	F	Total	% of births attended by trained health personnel	% of population with access to safe water	Average daily calorie intake per capita	Primary school enrolment ratio (% of relevant age group) M	F	Total
	1985-1990 a/			1983-1988 or b/	1988 or b/	1987-1989	1989 or b/		
A. States Members of the United Nations									
1. Population 1 million or over									
Cuba	74	77	75	99	-	3 153	105	100	103
Dominican Republic	64	68	66	65	62	2 342	95	96	95
Haiti	53	56	55	40	42	2 011	86	81	84
Indonesia	59	62	60	49	47	2 708	120	115	118
Jamaica	70	75	73	79	72	2 522	104	105	105
Madagascar	52	55	54	38	22	2 177	94	90	92
Mauritius	66	72	69	89	95	2 823	102	104	103
Papua New Guinea	53	55	54	31	35	2 227	79	67	73
Philippines	62	65	64	95	85	2 342	111	110	111
Singapore	71	76	74	100	100	3 249	111	109	110
Sri Lanka	68	73	70	85	50	2 299	109	106	107
Trinidad and Tobago	69	74	71	95	96	2 913	95	98	97
2. Population less than 1 million									
Antigua and Barbuda	69	72	71	86	-	2 295	-	-	115
Bahamas	67	71	69	100	-	2 791	-	-	60
Bahrain	69	73	70	97	-	-	112	108	110
Barbados	72	77	75	98	92	3 247	113	108	110
Brunei Darussalam	70	73	72	91	98	2 324	-	-	63
Cape Verde	65	67	66	30	74	2 714	119	111	115

.../...

Table 2 (continued)

Country or territory	Average life expectancy at birth (years) M	F	Total 1985-1990 a/	% of births attended by trained health personnel 1983-1988 or b/	% of population with access to safe water 1988 or b/	Average daily calorie intake per capita 1987-1989	Primary school enrolment ratio (% of relevant age group) M	F	Total 1989 or b/
Comoros	54	55	54	24	-	1 895	82	67	75
Cyprus	73	78	76	98	100	-	103	103	103
Dominica	68	74	71	96	-	2 820	-	-	90
Fiji	62	66	64	98	78	2 871	122	122	122
Grenada	64	67	66	81	-	2 657	-	-	100
Maldives	-	-	-	61	40	2 140	-	-	-
Malta	71	75	73	98	100	3 238	109	107	108
Saint Kitts and Nevis	68	72	70	-	-	2 614	-	-	76
Saint Lucia	68	73	70	-	-	2 582	-	-	87
Saint Vincent and the Grenadines	68	71	69	-	-	2 618	-	-	81
Samoa	-	-	-	95	74	2 509	-	-	-
Sao Tome and Principe	-	-	-	-	32	2 380	-	-	-
Seychelles	66	74	70	99	99	2 340	-	-	-
Solomon Islands	-	-	-	75	70	2 191	-	-	60
Vanuatu	-	-	-	86	71	2 552	-	-	-
B. Others (population less than 1 million)									
Anguilla	69	72	70	-	-	-	-	-	-
Aruba	72	77	75	-	-	-	-	-	-
Bermuda	71	77	74	-	-	3 004	-	-	62
British Virgin Islands	69	72	70	-	-	-	-	-	-
Cayman Islands	-	-	-	-	-	-	-	-	-
Cook Islands	64	70	67	100	100	-	-	-	98

Table 2 (continued)

Country or territory	Average life expectancy at birth (years) M	F	Total	% of births attended by trained health personnel	% of population with access to safe water	Average daily calorie intake per capita	Primary school enrolment ratio (% of relevant age group) M	F	Total
	1985-1990 a/			1983-1988 or b/	1988 or b/	1987-1989	1989 or b/		
Guam	70	75	72	-	100	-	-	-	-
Kiribati	-	-	-	-	62	2 956	-	-	-
Monserrat	69	72	71	-	-	-	-	-	100
Nauru	-	-	-	-	-	-	-	-	96
Netherlands Antilles (excluding Aruba)	71	76	73	-	-	2 827	-	-	74
Niue	63	67	65	-	-	-	..	-	-
Palau	59	62	61	-	-	-	-	-	-
Tokelau	63	67	65	-	-	-	-	-	-
Tonga	61	65	63	93	92	2 980	-	-	53
Turks and Caicos Islands	69	72	70	-	-	-	-	-	-
Tuvalu	-	-	-	-	100	-	-	-	-
United States Virgin Islands	67	71	69	-	-	-	-	-	-
All island developing countries	61	64	62	63 d/	56 d/	2 584 d/	104 e/	100 e/	93 e/
Small island developing countries c/	67	70	69	89 d/	81 d/	2 545 d/	-	-	89 e/
Least developed countries	49	51	50	28 d/	47 d/	2 073	74	57	66
All developing countries	57	60	58	41 d/	67 d/	2 422	99	83	91

(Source and footnotes on following page)

(Source and footnotes to table 2)

Source: United Nations, World Population Prospects 1990; WHO Global Strategy For Health For All Monitoring 1988-1989; WHO, The International Drinking Water Supply and Sanitation Decade, Review of Decade Progress (as at December 1988); FAO, Production Yearbook 1990; UNESCO, Statistical Yearbook 1991; and other international sources.

a/ Projections.

b/ Latest year available.

c/ Island developing countries with population of less than 1 million.

d/ Average of countries for which data are available.

e/ Unweighted average.

Table 3. Island developing countries: economic indicators

Country or territory	GNP (at market prices)			Sectoral distribution of GDP (per cent)		
	Total (millions of dollars)	Per capita (dollars)	Annual growth rate of per capita (%)	Agriculture	Industry	Service
	1989		1980-1989	1989 a/		
A. States Members of the United Nations						
1. Population of 1 million or over						
Cuba	-	-	-	-	-	-
Dominican Republic	5 513	790	-0.1	18	20	62
Haiti	2 556	400	-0.7	31	38	31
Indonesia	87 936	490	3.6	24	31	45
Jamaica	3 011	1 260	-1.7	6	32	62
Madagascar	2 543	230	-2.6	35	11	54
Mauritius	2 068	1 950	5.3	11	22	67
Papua New Guinea	3 444	900	-0.7	30	30	40
Philippines	42 754	700	-1.8	23	29	48
Singapore	28 058	10 450	5.7	0	33	67
Sri Lanka	7 268	430	2.4	23	19	58
Trinidad and Tobago	4 000	3 160	-7.3	3	31	66
2. Population less than 1 million						
Antigua and Barbuda	302 b/	3 880 b/	6.4 c/	4	10	86
Bahamas	2 820	11 370	2.3	12	37	51
Bahrain	3 009 b/	6 360 b/	-4.6 c/	1	36	63
Barbados	1 622	6 370	1.5	6	11	83
Brunei Darussalam	-	-	-	2	47	51
Cape Verde	281	760	3.2	14	17	69
Comoros	209	460	-0.6	41	10	49
Cyprus	4 892	7 050	4.6	7	18	75
Dominica	136 b/	1 670 b/	3.1 c/	24	8	68
Fiji	1 218	1 640	-1.5	18	15	67

Table 3 (continued)

Country or territory	GNP (at market prices) Total (millions of dollars) 1989	GNP (at market prices) Per capita (dollars) 1989	GNP (at market prices) Annual growth rate of per capita (%) 1980-1989	Sectoral distribution of GDP (per cent) Agriculture 1989 a/	Industry 1989 a/	Service 1989 a/
Grenada	179	1 900	5.6	17	6	77
Maldives	87	420	5.9	28	14	57
Malta	2 041	5 820	3.1	3	36	61
Saint Kitts and Nevis	119 b/	2 860 b/	6.6 c/	10	17	73
Saint Lucia	267	1 810	4.5	12	10	78
Saint Vincent and the Grenadines	135 b/	1 200 b/	4.8 c/	18	11	71
Samoa	114	720	2.0	51	12	37
Sao Tome and Principe	43	360	-5.7	31	11	58
Seychelles	285	4 170	1.7	5	12	83
Solomon Islands	181	570	3.7	37	7	56
Vanuatu	131	860	-2.0	19	13	68
B. Others (population less than 1 million)						
Anguilla	-	-	-	-	-	-
Aruba	-	-	-	-	-	-
Bermuda	1 389 b/	24 370 b/	-0.1 c/	-	-	-
British Virgin Islands	-	-	-	3	6	91
Cayman Islands	-	-	-	-	-	-
Cook Islands	-	-	-	-	-	-
Guam	-	-	-	-	-	-
Kiribati	48	700	1.8	29	9	62
Monserrat	-	-	-	4	9	87
Nauru	-	-	-	-	-	-
Netherlands Antilles (excluding Aruba)	-	-	-	-	-	-
Niue	-	-	-	-	-	-
Tokelau	-	-	-	-	-	-

Table 3 (continued)

Country or territory	GNP (at market prices)			Sectoral distribution of GDP (per cent)		
	Total (millions of dollars)	Per capita (dollars)	Annual growth rate of per capita (%)	Agriculture	Industry	Service
	1989		1980-1989	1989 a/		
Tonga	89	910	1.6	-	-	-
Turks and Caicos Islands	-	-	-	-	-	-
Tuvalu	-	-	-	-	-	-
United States Virgin Islands	-	-	-	-	-	-
All island developing countries	208 748	702	1.3	18 e/	18 e/	64 e/
Small island developing countries d/	19 597	3 555	0.8	18 e/	15 e/	67 e/
Least developed countries	109 660	235	-0.7	38	13	49
All developing countries	2 353 810	913	0.5	15	17	47

(Source and footnotes on following page)

(Source and footnotes to table 3)

Source: UNCTAD, Handbook of International Trade and Development Statistics, 1989 and 1990; World Bank Atlas 1990; and other international and national sources.

a/ Latest year available.

b/ 1988.

c/ 1980-1988.

d/ Island developing countries with population of less than 1 million.

e/ Unweighted average.

Table 4. Island developing countries: external data

Country or territory	Total exports of goods	Service credit: Total	Service credit: of which travel	Private transfers net	Col.(2) as per cent of Col.(1)	Col.(3) as per cent of Col.(1)	Col.(2)+(4) as per cent of Col.(1)	Total imports (CIF)	Exports as per cent of GDP	Exports concentration index	CIF/FOB factors	Food as per cent of total imports
	$ million				(%)			$ million	(%)			(%)
	1989	1989	1989	1989	1989	1989	1989	1989	1989	1989	1989	1989
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. States Members of the United Nations												
1. Population 1 million or over												
Cuba	-	-	-	-	-	-	-	7 270	-	0.845	-	14.0
Dominican Republic	924.4	1 228.9	893.9	305.8	132.9	96.7	166.0	2 241 e/	13.7	0.430 d/	1.150	14.0
Haiti	181.3	91.1	68.0	59.3	50.2	37.5	83.0	330	10.1	0.191	1.150	51.8
Indonesia	22 974.0	2 437.0	1 628.0	167.0	10.6	7.1	11.3	17 185	23.6	0.253	1.120	7.5
Jamaica	996.5	992.7	593.0	299.5	99.6	59.5	129.7	1 806	26.4	0.501	1.139	16.5
Madagascar	313.0	146.0	25.0	47.0	46.6	8.0	61.7	340	12.3	0.406	1.205	15.2
Mauritius	989.7	465.0	183.4	68.2	47.0	18.5	53.9	1 326	47.6	0.379	1.100	12.4
Papua New Guinea	1 300.7	254.9	20.8	-132.0	19.6	1.6	9.4	1 335 e/	36.5	0.585	1.150	19.1
Philippines	7 821.0	4 586.0	469.0	473.0	58.6	6.0	64.7	10 732	17.5	0.277	1.072	10.5
Singapore	43 239.0	16 463.0	2 907.0	-254.0	38.1	6.7	37.5	49 676 f/	157.5	0.143	1.060	6.8
Sri Lanka	1 558.4	405.9	76.5	328.5	26.0	4.9	47.1	2 088	21.5	0.295	1.111	25.3
Trinidad and Tobago	1 534.6	318.7	84.5	-19.2	20.8	5.5	19.5	1 221	36.9 h/	0.409	1.111	20.8
2. Population less than 1 million												
Antigua and Barbuda	28.5 b/	194.3 b/	188.4 b/	17.0 b/	681.8 b/	661.1 b/	741.4 b/	228	8.1	0.344 d/	-	14.6
Bahamas	259.2	1 443.0	1 214.3	-17.9	556.7	468.5	549.8	2 200	79.1	0.723	1.064	9.8
Bahrain	2 411.4 c/	1 162.5 c/	113.8 c/	-193.1 c/	48.2 c/	4.7 c/	40.2 c/	2 866	80.1 h/	0.558	1.110	9.4
Barbados	146.9	774.9	528.7	31.9	527.5	359.9	549.2	673	10.8	0.241	1.100	18.1
Brunei Darussalam	-	-	-	-	-	-	-	1 000	-	0.645	-	16.1
Cape Verde	11.2	56.0	3.8	43.3	500.0	33.9	886.6	123	1.8	0.540	1.150	27.6
Comoros	18.1	21.6	3.3	2.7	119.3	18.2	134.3	60	9.0	0.485	-	35.0
Cyprus	717.3	1 864.4	992.9	22.9	259.9	138.4	263.1	2 281 g/	17.8	0.218	1.102	10.6
Dominica	55.6 c/	13.5 c/	12.3 c/	8.4 c/	24.3 c/	22.1 c/	39.4 c/	107	29.5	0.732	-	16.8
Fiji	403.1	385.6	188.1	-13.1	95.7	46.7	92.4	633	31.1	0.531	1.136	14.6
Grenada	27.9	58.1	53.7	17.0	208.2	192.5	269.2	90	17.7	0.444	1.117	25.2
Maldives	44.6 c/	76.9 c/	42.6 c/	-0.6 c/	172.4 c/	95.5 c/	171.1 c/	120	41.6	0.397	1.100	8.3
Malta	866.3	823.0	387.4	105.3	95.0	44.7	107.2	1 505	45.3	0.370	1.111	12.0
Saint Kitts and Nevis	32.8	49.2	40.3	10.5	150.0	122.9	182.0	60	23.5 h/	-	1.100	31.2
Saint Lucia	111.9	135.8	113.0	8.7	121.4	101.0	129.1	160	26.2	0.642	1.100	32.9
Saint Vincent and the Grenadines	74.6	38.7	25.2	21.7	51.9	33.8	81.0	85	24.8	0.492	1.100	28.7
Samoa	12.9	32.3	17.1	38.2	250.4	132.6	546.5	67	11.0	0.396	1.099	22.7
Sao Tome and Principe	4.9	4.6	1.3	-0.2	93.9	26.5	89.8	18	10.9	0.572	-	50.6

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Table 4 (continued)

Country or territory	Total exports of goods	Service credit: Total	Service credit: of which travel	Private transfers net	Col. (2) as per cent of Col. (1)	Col. (3) as per cent of Col. (1)	Col. (2)+(4) as per cent of Col. (1)	Total imports (CIF)	Exports as per cent of GDP	Exports concentration index	CIF/FOB factors	Food as per cent of total imports
	$ million				(%)			$ million	(%)			(%)
	1989	1989	1989	1989	1989	1989	1989	1989	1989	1989	1989	1989
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Seychelles	14.0	187.6	91.2	-5.2	1 340.0	651.4	1 302.9	164	10.6	0.664	1.150	17.5
Solomon Islands	74.7	33.9	6.5	1.2	45.4	8.7	47.0	114	42.5	0.394	1.200	13.2
Vanuatu	15.4 c/	63.3 c/	17.7 c/	9.8 c/	411.0 c/	114.9 c/	474.7 c/	78	14.9	0.495	1.140	17.3
B. Others (population less than 1 million)												
Anguilla	-	-	-	-	-	-	-	-	-	-	-	-
Aruba	-	-	-	-	-	-	-	-	-	-	-	-
Bermuda	-	-	-	-	-	-	-	480 e/	-	0.886	-	17.8
British Virgin Islands	-	-	-	-	-	-	-	85	2.3 h/	-	-	7.6
Cayman Islands	-	-	-	-	-	-	-	250	-	0.405	-	10.9
Cook Islands	-	-	-	-	-	-	-	44	-	0.697	-	25.5
Guam	-	-	-	-	-	-	-	390	-	0.418	-	15.3
Kiribati	1.8 d/	14.3 d/	0.7 d/	-1.3 d/	794.4 d/	38.9 d/	722.2 d/	16	22.3	0.346	-	50.6
Montserrat	-	-	-	-	-	-	-	10	-	-	-	39.0
Nauru	-	-	-	-	-	-	-	15	-	0.962	-	23.3
Netherlands Antilles (including Aruba)	77.2 b/	1 007.2 b/	277.2 b/	-62.2 b/	1 304.7 b/	359.1 b/	1 224.1 b/	1 315	-	0.738	1.120	20.8
Niue	-	-	-	-	-	-	-	2	-	-	-	40.0
Tokelau	-	-	-	-	-	-	-	-	-	-	-	-
Tonga	6.4 c/	24.7 c/	8.8 c/	21.3 c/	385.9 c/	137.5 c/	718.8 c/	54	9.4	0.402	1.090	29.1
Turks and Caicos Islands	-	-	-	-	-	-	-	-	-	-	-	-
Tuvalu	-	-	-	-	-	-	-	3	-	-	-	13.3
United States Virgin Islands	-	-	-	-	-	-	-	-	-	-	-	-
All island developing countries	87 249.3	35 854.6	11 277.4	1 409.4	41.1	13.9	42.7	110 894	41.5	-	-	9.9
Small island developing countries a/	5 416.7	8 465.4	4 328.3	66.3	156.3	79.9	157.5	15 344	42.0	-	-	13.8
Least developed countries	14 105.7	4 406.9	727.5	2 303.2	31.2	5.2	47.6	21 992	9.0	-	-	21.6
All developing countries	656 763.0	190 441.0	46 466.0	14 884.0	29.0	7.1	31.3	624 500	22.5	-	-	11.4

(Source and footnotes on following page)

(Source and footnotes to table 4)

Source: UNCTAD secretariat calculations based on UNCTAD, Handbook of International Trade and Development Statistics 1990; UNCTAD, Commodity Yearbook 1991; IMF, International Financial Statistics Yearbook 1991; and the World Bank.

a/ Island developing countries with population of less than 1 million.

b/ 1987.

c/ 1988.

d/ 1986.

e/ Imports f.o.b.

f/ Including transshipments to and from Peninsula Malaysia.

g/ Excluding NAAFI imports.

h/ As percentage of GDP in 1988.

Table 5. Island developing countries: official development assistance; total, per capita and total as percentage of GNP, 1989

Country or territory	ODA from all sources a/ (net disbursements) Total (millions of dollars)	Per capita (dollars)	Total as per cent of GNP
A. States Members of the United Nations			
1. Population 1 million or over			
Cuba	668.8 c/	63.7	-
Dominican Republic	150.6	21.5	2.7
Haiti	196.8	30.8	7.7
Indonesia	1 837.6	10.2	2.1
Jamaica	261.7	107.8	8.7
Madagascar	349.0 c/	30.0	13.7
Mauritius	58.3	54.5	2.8
Papua New Guinea	336.4	88.8	9.8
Philippines	824.4	13.5	1.9
Singapore	94.8	35.2	0.3
Sri Lanka	618.7	36.4	8.5
Trinidad and Tobago	6.0	4.8	0.2
2. Population less than 1 million			
Antigua and Barbuda	4.4	57.9	1.5 d/
Bahamas	4.0	16.1	0.1
Bahrain	-2.7	-5.4	-0.1 d/
Barbados	1.4	5.5	0.1
Brunei Darussalam	4.6	17.8	-
Cape Verde	74.3	207.0	26.4
Comoros	44.6	84.0	21.3
Cyprus	40.6	58.5	0.8
Dominica	21.4	261.0	15.7 d/
Federated States of Micronesia e/	158.7	922.7	-
Fiji	43.0	57.3	3.5
Grenada	14.7	172.9	8.2
Maldives	28.2	136.2	32.4
Nalta	-5.2	-14.9	-0.3
Saint Kitts and Nevis	13.2	300.0	11.1 d/
Saint Lucia	18.3	123.6	6.9
Saint Vincent and the Grenadines	15.0	131.6	11.1 d/
Samoa	31.1	195.6	27.3
Sao Tome and Principe	33.7	285.6	78.4
Seychelles	19.8	291.2	6.9
Solomon Islands	49.2	158.7	27.2
Vanuatu	39.8	258.4	30.4

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Table 5 (continued)

Country or territory	ODA from all sources a/ (net disbursements) Total (millions of dollars)	Per capita (dollars)	Total as per cent of GNP
B. Others (population less than 1 million)			
Anguilla	6.5	928.6	-
Aruba	24.3	405.0	-
Bermuda	0.1	1.7	0.0 d/
British Virgin Islands	5.8	446.2	-
Cayman Islands	1.3	54.2	-
Cook Islands	12.6	700.0	-
Guam	-	-	-
Kiribati	17.5	246.5	36.5
Montserrat	7.1	591.7	-
Nauru	0.1	11.1	-
Netherlands Antilles (excluding Aruba)	61.1	326.7	-
Niue	5.6	1 866.7	-
Tokelau	4.6	2 300.0	-
Tonga	24.6	258.9	27.6
Turks and Caicos Islands	8.8	880.0	-
Tuvalu	6.9	766.7	-
United States Virgin Islands	-	-	-
All island developing countries	6 242.1	20.0	2.5
Small island developing countries b/	839.0	131.6	2.7
Least developed countries	13 352.9	27.0	11.8
All developing countries	44 122.6	16.0	1.9

Source: OECD, Geographical Distribution of Financial Flows to Developing Countries 1986/89 and the World Bank Atlas 1990.

a/ DAC and OPEC sources.

b/ Island developing countries with population less than 1 million.

c/ Including gross disbursements from countries in Eastern Europe.

d/ As percentage of GNP in 1986.

e/ Includes ODA to former Trust Territories of the Pacific Islands.

Table 6A. Island developing countries: debt indicators, 1989

(Millions of United States dollars)

Country or territory	Total external debt a/ (1)	Concessional debt (2)	Col. (2) as per cent of col. (1) (3)	Debt to official creditors (4)	Debt to private creditors: Long and medium term	Debt to private creditors: Short term	Debt to private creditors: Total (5)	Col. (5) as per cent of col. (1) (6)
A. States Members of the United Nations								
1. Population 1 million or over								
Cuba	27 247.6	23 992.4	88.1	24 446.6	533.2	2 267.8	2 801.0	10.3
Dominican Republic	3 700.8	1 134.8	30.7	2 639.8	637.6	423.4	1 061.0	28.7
Haiti	938.0	655.0	69.8	715.0	105.0	118.0	223.0	23.8
Indonesia	55 578.3	14 961.5	26.9	35 022.4	10 748.7	9 807.2	20 555.9	37.0
Jamaica	4 696.5	1 445.7	30.8	3 643.7	586.7	466.1	1 052.8	22.4
Madagascar	3 706.0	1 925.0	51.9	3 378.0	40.0	288.0	328.0	8.9
Mauritius	893.8	296.7	33.2	737.5	89.1	67.2	156.3	17.5
Papua New Guinea	2 508.7	472.5	18.8	904.8	1 288.8	315.1	1 603.9	63.9
Philippines	24 341.1	4 249.1	17.5	13 907.9	7 954.6	2 478.6	10 433.2	42.9
Singapore	4 536.7	144.0	3.2	554.2	3 299.1	683.4	3 982.5	87.8
Sri Lanka	5 283.2	3 722.7	70.5	4 627.1	46.7	609.4	656.1	12.4
Trinidad and Tobago	2 275.0	77.2	3.4	944.6	1 160.3	170.1	1 330.4	58.5
2. Population less than 1 million								
Antigua and Barbuda	183.2	29.2	15.9	124.5	-	58.7	58.7	32.0
Bahamas	885.3	9.6	1.1	79.7	483.5	322.1	805.6	91.0
Bahrain	1 588.9	394.5	24.8	411.1	828.6	349.2	1 177.8	74.1
Barbados	680.9	79.2	11.6	308.9	260.6	111.4	372.0	54.6
Brunei Darussalam	91.1	-	-	1.2	26.0	63.9	89.9	98.7
Cape Verde	142.0	103.0	72.5	138.8	1.6	1.6	3.2	2.3
Comoros	200.3	181.0	90.4	194.8	2.0	3.5	5.5	2.7
Cyprus	3 149.2	235.2	7.5	1 164.5	1 014.0	970.7	1 984.7	63.0
Dominica	186.2	168.0	90.2	176.1	1.0	9.1	10.1	5.4
Fiji	514.8	49.3	9.6	274.6	110.7	129.5	240.2	46.7
Grenada	89.8	49.7	55.3	68.7	16.2	4.9	21.1	23.5
Maldives	63.6	54.0	84.9	55.1	1.1	7.4	8.5	13.4
Malta	558.1	87.7	15.7	106.7	124.5	326.9	451.4	80.9
Saint Kitts and Nevis	-	-	-	-	-	-	-	-
Saint Lucia	75.3	42.0	55.8	71.1	-	4.2	4.2	5.6
Saint Vincent and the Grenadines	51.4	46.0	89.5	48.9	0.2	2.3	2.5	4.9
Samoa	77.0	68.1	88.4	74.4	2.4	0.2	2.6	3.4
Sao Tome and Principe	153.2	87.1	56.9	140.2	-	13.0	13.0	8.5
Seychelles	203.3	76.8	37.8	130.9	8.4	64.0	72.4	35.6
Solomon Islands	127.2	84.9	66.7	119.5	3.2	4.5	7.7	6.1
Vanuatu	256.0	21.0	8.2	42.6	142.5	70.9	213.4	83.4
7. Others (population less than 1 million)								
Anguilla	13.3	3.1	23.3	3.8	4.0	5.5	9.5	71.4
Aruba	-	-	-	-	-	-	-	-
Bermuda	853.3	0.1	0.0	151.5	251.8	450.0	701.8	82.2
British Virgin Islands	850.3	11.6	1.4	16.7	313.4	520.2	833.6	98.0
Cayman Islands	825.7	27.3	2.7	68.9	215.5	541.3	756.8	91.7
Cook Islands	3.7	3.5	94.6	3.5	-	0.2	0.2	5.4
Guam	-	-	-	-	-	-	-	-
Kiribati	17.4	5.5	31.6	16.1	-	1.3	1.3	7.5
Montserrat	7.4	5.9	79.7	7.1	-	0.3	0.3	4.1
Nauru	205.2	-	-	-	181.0	24.2	205.2	100.0
Netherlands Antilles (including Aruba)	1 179.6 c/	419.6 c/	35.6 c/	646.2 c/	291.8 c/	241.6 c/	533.4 c/	45.2 c/
Niue	-	-	-	-	-	-	-	-
Tokelau	-	-	-	-	-	-	-	-
Tonga	47.4	33.8	71.3	43.8	3.0	0.6	3.6	7.6
Trust Territory of the Pacific Islands	26.4	-	-	9.6	-	16.8	16.8	63.6
Turks and Caicos Islands	84.4	1.3	1.5	1.3	19.0	64.1	83.1	98.5
Tuvalu	0.4	0.1	25.0	0.1	-	0.3	0.3	75.0
United States Virgin Islands	-	-	-	-	-	-	-	-
All island developing countries	149 097.0	55 449.7	37.2	96 222.5	30 795.8	22 078.7	52 874.5	35.5
Small island developing countries b/	13 391.3	2 373.1	17.7	4 700.9	4 306.0	4 384.4	8 690.4	64.9
Least developed countries	105 742.6	64 116.2	60.6	94 502.2	2 876.0	8 364.4	11 240.4	10.6
All developing countries	1 207 902.0	236 030.0	19.5	606 240.0	353 891.0	247 771.0	601 662.0	49.8

Source: OECD, Financial and External Debt of Developing Countries, 1990 Survey.

a/ Includes short-term debt and use of IMF.

b/ Small island developing countries with population of less than 1 million.

c/ 1988.

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Table 6B. Island developing countries: debt indicators, 1989

(Millions of United States dollars)

Country or territory	Multilateral debt: Concessional (7)	Multilateral debt: Non-Concessional (8)	Multilateral debt: Total (9)	Col. (9) as per cent of (1) (10)	Debt as per cent of GNP (11)	Debt service a/ (12)	Debt service as per cent of exp. of G. & Serv. (13)
A. States Members of the United Nations							
1. Population 1 million or over							
Cuba	9.0	14.1	23.1	0.1	-	471.4	-
Dominican Republic	425.1	480.4	905.5	24.5	67.1	333.0	15.5
Haiti	459.8	27.7	487.5	52.0	36.7	55.0	20.2
Indonesia	1 164.3	11 329.5	12 493.8	22.5	63.2	8 703.4	34.3
Jamaica	207.0	1 286.8	1 493.8	31.8	156.0	723.3	36.4
Madagascar	992.0	197.0	1 189.0	32.1	145.7	268.0	58.4
Mauritius	69.6	276.7	346.3	38.7	43.2	138.6	9.5
Papua New Guinea	327.6	242.7	570.3	22.7	72.8	566.6	36.4
Philippines	340.1	5 818.9	6 159.0	25.3	56.9	3 302.4	26.6
Singapore	11.5	84.7	96.2	2.1	16.2	786.2	1.3
Sri Lanka	1 289.5	299.4	1 588.9	30.1	72.7	510.4	26.0
Trinidad and Tobago	21.7	253.3	275.0	12.1	56.9	289.8	15.6
2. Population less than 1 million							
Antigua and Barbuda	14.0	3.9	17.9	9.8	60.7 d/	10.9	3.3
Bahamas	5.0	26.7	31.7	3.6	31.4	255.6	15.0
Bahrain	19.0	16.6	35.6	2.2	52.8 d/	196.5	5.5 e/
Barbados	50.6	117.6	168.2	24.7	42.0	71.5	7.8
Brunei Darussalam	-	-	-	-	-	6.8	-
Cape Verde	67.3	12.8	80.1	56.4	50.5	6.3	9.4
Comoros	94.2	12.7	106.9	53.4	95.8	1.7	4.3
Cyprus	188.2	577.7	765.9	24.3	64.4	589.3	22.8
Dominica	65.9	3.5	69.4	37.3	136.9 d/	6.0	8.2
Fiji	21.6	162.6	184.2	35.8	42.3	100.0	12.7
Grenada	36.2	1.0	37.2	41.4	50.2	7.8	9.1
Maldives	28.4	-	28.4	44.7	73.1	9.4	6.7
Malta	6.4	2.3	8.7	1.6	27.3	66.6	3.9
Saint Kitts and Nevis	-	-	-	-	-	-	-
Saint Lucia	37.8	6.5	44.3	58.8	28.2	3.7	1.5
Saint Vincent and the Grenadines	36.3	2.3	38.6	75.1	38.1 d/	3.7	3.3
Samoa	61.8	1.5	63.3	82.2	67.5	7.7	17.0
Sao Tome and Principe	56.8	1.1	57.9	37.8	356.3	6.0	63.2
Seychelles	20.4	21.1	41.5	20.4	71.3	27.8	13.8
Solomon Islands	55.2	1.4	56.6	44.5	70.3	9.2	8.5
Vanuatu	11.4	-	11.4	4.5	195.4	40.0	51.7
B. Others (population less than 1 million)							
Anguilla	3.1	0.7	3.8	28.6	-	0.6	-
Aruba	-	-	-	-	-	-	-
Bermuda	-	-	-	-	61.4	115.7	-
British Virgin Islands	7.7	0.3	8.0	0.9	-	94.0	-
Cayman Islands	7.8	15.4	23.2	2.8	-	73.2	-
Cook Islands	3.5	-	3.5	94.6	-	0.1	-
Guam	-	-	-	-	-	-	-
Kiribati	5.5	10.6	16.1	92.5	36.3	0.9	5.6 f/
Montserrat	5.3	1.2	6.5	87.8	-	0.3	-
Nauru	-	-	-	-	-	24.6	-
Netherlands Antilles (including Aruba)	14.7 c/	0.3 c/	15.0 c/	1.3 c/	-	121.3 c/	11.2 g/
Niue	-	-	-	-	-	-	-
Tokelau	-	-	-	-	-	-	-
Tonga	15.0	-	15.0	31.6	53.3	1.6	4.6
Trust Territory of the Pacific Islands	-	-	-	-	-	2.6	-
Turks and Caicos Islands	1.3	-	1.3	1.5	-	7.2	-
Tuvalu	0.1	-	0.1	25.0	-	0.0	-
United States Virgin Islands	-	-	-	-	-	-	-
All island developing countries	6 257.7	21 311.0	27 568.7	18.5	56.8	18 016.7	13.1 h/
Small island developing countries b/	940.5	999.8	1 940.3	14.5	51.9	1 868.6	17.3 h/
Least developed countries	25 655.9	6 766.8	32 422.7	30.7	88.9	5 697.2	38.9
All developing countries	63 267.0	141 489.0	204 756.0	17.0	51.3	147 730.0	17.4

(Source and footnotes on following page)

(Source and footnotes to table 6B)

Source: OECD, Financial and External Debt of Developing Countries, 1990 Survey; UNCTAD, Handbook of International Trade and Development Statistics 1990; and World Bank Atlas 1990.

a/ Includes short-term debt and use of IMF.

b/ Small island developing countries with population of less than 1 million.

c/ 1988.

d/ As percentage of GNP in 1988.

e/ As percentage of export of goods and services in 1988.

f/ As percentage of export of goods and services in 1986.

g/ As percentage of export of goods and services in 1987.

h/ Unweighted average.

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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: TRADE AND DEVELOPMENT

Specific problems and needs of island developing countries

Report of the Secretary-General

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I. INTRODUCTION

1. Following the request by the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) to Governments of States members of UNCTAD as well as international and intergovernmental organizations to provide information on measures they have undertaken in response to actions required by General Assembly resolution 45/202 of 21 December 1990, the UNCTAD secretariat received several replies, which are summarized below. A brief overview of UNCTAD recent work on behalf of the island developing countries is also reflected in the present summary.

II. INFORMATION RECEIVED FROM INDIVIDUAL COUNTRIES

A. Australia

2. Australia maintains a strong commitment to assisting the countries of the South Pacific. In 1991-1992 the total grant aid programme to the region amounted to some $A 101 million. The objective of Australian development cooperation is to promote the equitable economic and social development of South Pacific island States, with particular attention to the needs of small island economies.

3. The special development problems of the Pacific island countries together with their differing prospects for sustainable economic development make it important for Australia to engage in ongoing exchanges with other donors in the region. With this in mind, Australia is continuing to encourage activities that improve development assistance consultations and coordination in the South Pacific.

4. Recognizing that South Pacific countries have special development needs, Australia adopts a flexible approach to the kinds of delivery mechanisms used, which include project aid, training and staffing assistance, as well as commodity assistance.

5. Australia will continue to support important regional organizations in the South Pacific. Cooperation through regional organizations is directed towards sectors that are best coordinated on a regional basis, as well as those focusing on regional economic and trade issues. Australian development cooperation with regional organizations embraces sectors like trade and economic planning, transport, health, energy, fisheries and the environment. This effectively complemen.s Australia's Government-to-Government assistance.

6. Activities that are relevant to more than one country, or which are more economically viable when organized on a larger scale, are supported on a multi-country basis. The Australian emphasis in multi-country activities has focused on the health sector.

B. Austria

7. Between 1989 and 1991, seven officials, from the Bahamas, Jamaica, the Philippines, Singapore, Sri Lanka and Saint Lucia, participated in the seminars for senior customs officials from developing countries that were organized by the Government of Austria for senior customs officials from developing countries.

C. Lithuania

8. The Government of Lithuania would be pleased to have the possibility to respond positively to the special needs of island developing countries in order to enable them to overcome their particular problems, but in its present transitional situation Lithuania can only afford to provide humanitarian aid in cases of emergency.

D. New Zealand

9. New Zealand's programme of official development assistance for 1991-1992 focuses primarily on its partner countries in the South Pacific and South-East Asia, but it also reaches much further, particularly through contributions to multilateral aid organizations.

10. In the South Pacific New Zealand has particular responsibilities in relation to the Cook Islands, Niue and Tokelau, as well as a special relationship with Western Samoa. New Zealand has built up significant cooperation arrangements with Fiji, Tonga, Papua New Guinea, the Solomon Islands and Vanuatu, and also has important programmes with smaller States, including Kiribati and Tuvalu. These bilateral programmes with the partner countries in its immediate neighbourhood are complemented by New Zealand's support for the major South Pacific regional institutions, and by the granting of education and training awards for students from all over the Pacific.

11. The other main focus of the New Zealand official development assistance programme is on the Association of South-East Asia Nations (ASEAN) group and in particular Indonesia and the Philippines, where New Zealand provides significant assistance in such areas as forestry and geothermal energy.

12. On the multilateral front, the main channels for New Zealand official development assistance are the United Nations Development Programme (UNDP) and the Commonwealth Fund for Technical Cooperation, as well as major international financial institutions such as the International Development Association and the Asian Development Fund. New Zealand also contributes to a range of other multilateral relief agencies such as the United Nations Children's Fund (UNICEF), the World Food Programme (WFP), the Office of the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC).

13. In 1991-1992 New Zealand's official development assistance allocation totalled $146.5 million, $124.4 million of which is bilateral assistance. The allocation to South Pacific countries and regional programmes amounted to $23 million.

E. Philippines

14. Two government bodies oversee the Philippine Technical Assistance Council (TAC) and the Inter-Agency Technical Committee on Technical Cooperation among Developing Countries (IATC-TCDC). In 1991, TAC undertook three projects for island developing countries. These are: (a) a study tour for a delegation from the commodities export marketing authority of the Solomon Islands with the purpose of obtaining first-hand information on coconut-processing industries; (b) a South Pacific Commission evaluation mission, whose objective was to observe and get acquainted with the Philippines experience in coconut processing and marketing development; (c) a visit by a provincial cabinet of Papua New Guinea to Philippine programmes related to health, housing, vocational training, food processing, social development, culture, tourism and youth. Furthermore, the Philippines conducted a TCDC programming exercise for the food and agriculture sector in 1991 in which Western Samoa participated. During the forty-eighth session of the Economic and Social Commission for Asia and the Pacific (ESCAP) in 1992 the Philippines pledged $1,000 to the ESCAP Pacific Trust Fund, which benefits the Pacific island developing countries.

F. Switzerland

15. Assistance of Switzerland to developing countries is based exclusively on economic criteria. The Federal Law on Cooperation and Development and International Humanitarian Aid of 19 March 1976 envisages that Swiss assistance should support primarily the efforts of developing countries and the most disadvantaged population. It is against this background that the developing countries receive special tariff treatment within the framework of the Swiss preference scheme irrespective of their geographical, political and economic characteristics. The least developed countries, some of which are island developing countries, enjoy a more advantageous tariff treatment and Switzerland has introduced a STABEX system in their favour.

G. Thailand

16. In the period 1990-1991 Thailand offered technical assistance to island developing countries mainly in the form of fellowships. Fellowships were offered to Fiji, Maldives, Tonga, Mauritius, Papua New Guinea, the Philippines, Sri Lanka and the Solomon Islands in areas such as agriculture, health, telecommunications and rural development.

III. INFORMATION RECEIVED FROM INTERNATIONAL ORGANIZATIONS

A. United Nations bodies and programmes

1. Department of Economic and Social Development

17. The Department of Economic and Social Development has been implementing a substantial programme of technical cooperation activities in the island developing countries. In 1991, expenditures of technical cooperation projects implemented by the Department in island developing countries amounted to more than $11 million. The technical cooperation projects implemented covered a wide range of Department of Economic and Social Development substantive fields, including areas such as energy, water, science and technology, population, statistics and transnational corporations and management.

18. In the energy sector the Department is preparing the final report of the project entitled "Preliminary exploration of geothermal resources in the eastern Caribbean Islands" and is planning to continue with the geothermal feasibility study in order to evaluate the main prospects that the islands have for electricity production. The project consists mainly of a reconnaissance study of the geothermal energy potential in Montserrat, Saint Kitts and Nevis, and Saint Vincent and the Grenadines, and the feasibility study for a submarine cable power transmission between eastern member States of the Caribbean Community. Another ongoing project in the energy sector concerns energy and petroleum management and development in Vanuatu.

19. The Department's Water Branch has supported activities in island countries, including water resource exploration, planning, development and management. In the sector of science and technology the Department in 1980 launched a project aimed at strengthening indigenous capacity in Cape Verde. In the sector of population the Department has proposed demographic estimates and projections by key population indicators biennially.

20. In the statistics sector, the Department's main activities included advisory services rendered to island developing countries. Furthermore, participants from Indonesia, Mauritius, the Philippines and Singapore participated in workshops and seminars on statistics. Technical cooperation projects in statistics were implemented in Cape Verde, the Comoros, Madagascar, Mauritius, the Philippines, Sao Tome and Principe, Sri Lanka, Cyprus, Maldives, Malta, Saint Kitts and Nevis, and Seychelles.

21. The Transnational Corporations and Management Division of the Department has agreed to execute a project jointly with ESCAP. The activities of the project cover Kiribat, Maldives, Samoa, Tuvalu and Vanuatu. The main areas of assistance include the development of a suitable institutional infrastructure for investment promotion, the training of officials involved in investment promotion and the establishment of an information system on foreign direct investment.

2. Economic and Social Commission for Asia and the Pacific

22. The ESCAP secretariat continues to give high priority to island developing countries. Considering the priority needs of the countries concerned a separate subprogramme on special measures in favour of island developing countries was instituted in 1988. Most of the activities under it have received generous funding support from the donor countries. The island least developed countries have also benefited from activities implemented under another ESCAP subprogramme on special measures in favour of least developed countries. The two subprogrammes were merged in 1991 into special measures for least developed, land-locked and island developing countries, to ensure better coordination and implementation of ESCAP assistance to these countries. The ESCAP Pacific Operations Centre (EPOC) in Port Vila has since its establishment in 1984 implemented a large number of technical assistance activities in various fields for the benefit of Pacific island countries. Furthermore, the establishment of the Pacific Trust Fund, set up with support from the donor countries, has facilitated increased participation of Pacific island countries at the annual Commission sessions since 1989.

3. Economic and Social Commission for Western Asia

23. The services of the regional advisors attached to the Commission are available to Bahrain on request, and this country is covered by the Commission's research support activities as a member country.

4. United Nations Conference on Trade and Development

24. Since the convening of the meeting of governmental experts of island developing countries and organizations held in New York in June 1990, UNCTAD has continued its work programme, which included a comprehensive study carried out on Caribbean island developing countries, which, inter alia, analysed the socio-economic situation of the Caribbean island developing countries and assessed the various aspects of their vulnerability and the areas of comparative advantage in their development efforts. With respect to economic performance the study points out that although among the smaller States the growth of 4.5 per cent on average per annum during the eighties was fairly satisfactory, with the service sector contributing 70 per cent to GDP, agriculture was on the decline, largely because of unstable and low commodity prices. On the various aspects of vulnerability the study underlines the fact that geographic factors related to smallness and remoteness and economic aspects such as small market size, institutional weaknesses, openness of the economies, limited capacity to exploit marine resources, a high level of migration and undeveloped inter-island transport services are some of the intrinsic difficulties that compound the already very weak economic structures of the small and remote island developing countries. With regard to the comparative advantage of such countries, the study points out that the Caribbean island developing countries continue to benefit from such positive factors as physiographic endowment that have enhanced tourism, socio-political

stability and the availability of economic opportunities particularly with respect to trade services and communications.

25. Another important pilot study carried out was related to the construction of an index for ranking countries according to their economic vulnerability. The study describes the methodology for constructing such an index and makes an attempt to compute it. The implications of the index are that island developing countries, especially the small ones, are characterized by a high degree of vulnerability with regard to forces outside their control. It has been shown that in many instances island developing countries have a relatively high GDP per capita, conveying the impression of a strong economy, even when, in reality, their economies are fragile in terms of economic exposure, remoteness or proneness to natural disasters. In other instances, island developing countries are very poor and very vulnerable at the same time. The study was reviewed by a group of experts on island developing countries that met at Geneva on 14 and 15 July 1992 and it was recommended that further work be done in this area based on a classification of different groups of island developing countries with differing characteristics. This would provide a more useful operational guideline for policies of the donor community. The above two studies, which were presented to the meeting of the group of experts referred to above, will be distributed to Governments of island developing countries and other relevant institutions.

26. The UNCTAD secretariat also took a further initiative following the meeting of governmental experts of island developing countries and donor countries and organizations in June 1990, which involved the development of a project document outlining a range of technical assistance advisory services on behalf of island developing countries. The project document has been submitted to UNDP for consideration. Several island developing countries also benefit from a number of ongoing UNCTAD technical assistance projects, such as the pilot project to support commodity-dependent countries, and the one on an inter-island maritime information system. The latter project is an integrated computer-based information system for analysing shipping movements in island developing countries. The system consists of a database system, a set of data collection questionnaires and various reporting capabilities.

27. The system is particularly useful for maritime transportation planners in shipping companies, port authorities and government ministries concerned with infrastructure/transportation. For example, it was applied in Maldives to gather information about all current trade routes between Male and all outer islands, including details on each route, travel times, fuel consumption and so on; frequency of service to and from each outer island, including details of all on each route, travel times, fuel consumption and so on, and also including analysis of time spent "in port" (at the island) at both the Male end and the out-island end of a voyage leg; specifics on all cargo carried to and from Male and on passenger statistics.

28. UNCTAD work on least developed countries, which involves, inter alia, a regular review of the economic situation of least developed countries and international support measures in their favour, gives particular attention to

the particular development problems of the least developed island developing countries. These relate to factors such as remoteness, transport constraints, proneness to disasters and limited internal markets. These analyses are part of the overall effort of UNCTAD to mobilize further the donor community to pay special attention to the particular needs of island developing countries in their development programmes. The UNCTAD secretariat has also participated actively in the round-table meetings organized by UNDP for several of the island developing countries that are also least developed.

B. United Nations specialized and related agencies

1. International Labour Organisation

29. ILO assistance to the island countries is provided on the basis of their specific needs and is implemented within the framework of UNDP country and intercountry programmes. It also provides assistance to these countries under its own regular budget for technical cooperation. In the area of development of management capacity and creation of employment through small-scale enterprises, ILO is implementing a number of technical assistance projects in the Comoros, Madagascar, Fiji, Grenada and Maldives.

30. In the area of human resource development, ILO has prepared a draft guideline entitled "Integrated Human Resources Planning and Management" as a contribution to the project of the Department of Economic and Social Development of the Secretariat on macroeconomic planning and management in small island developing countries designed to promote the training of the officials responsible for human resource planning. Furthermore, seven island developing countries have been receiving assistance under a project entitled "Employment Promotion, Manpower Planning and Labour Administration in the Pacific".

31. Other ILO-supported projects include assistance to the Government of Papua New Guinea in strengthening its capacity in the fields of employment and manpower planning and in labour market analysis; assistance to the Government of the Federated States of Micronesia in collecting and analysing data on manpower supply and demand and in developing a labour market information system; assistance to the Marshall Islands in drafting a chapter on human resources for the country's second development plan (1991-1995); assistance to Madagascar in retrenching the public sector promotion of women's training programmes; strengthening the training management and organizational capacity of the National Institute of Training Promotion; assistance to Mauritius in the preparation of the vocational education and training master plan for the year 2000; and assistance to Seychelles in formulating its human resource development plan.

2. International Telecommunication Union

32. ITU has provided technical assistance to several island developing countries. This includes (a) assistance to Comoros in the installation and commissioning of four containerized crossbar exchange and associated systems; (b) assistance to Sao Tome and Principe in the preparation of a master plan for telecommunications development, installation of a radio-relay link between two islands in the archipelago and preparation of a national plan for the improvement of maintenance of telecommunication facilities; (c) assistance to Cape Verde in the preparation of a master plan for telecommunications development and training of staff; (d) assistance to Madagascar in the preparation of a national plan for the improvement of maintenance and a master plan for telecommunications development, and establishment of a national telecommunications laboratory; and (e) assistance in different aspects of telecommunications and introduction of new services and technologies to Cuba, Haiti, the Dominican Republic and the Netherlands Antilles (Curaçao and Aruba).

33. ITU assistance to island developing countries in the South Pacific during 1990 and 1991 was provided through the regional project on telecommunications training. The project provided support to the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, the Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu and Western Samoa. The project concentrated on training courses provided in various fields of telecommunications.

3. International Maritime Organization

34. The technical cooperation activities of IMO give priority to assisting developing countries, including island developing countries and territories, in the enhancement of human and technical resources necessary for effective maritime administration and operation in accordance with global standards for maritime safety, marine pollution prevention and related aspects of shipping and ports.

35. In the field of maritime education and technology, efforts are under way to link maritime training institutes of island developing countries to a world-wide maritime training system, including the World Maritime University and other establishments in developing countries, in order to exchange information on maritime education and training, and promote mutual assistance in teacher and officer training as well as on-the-job training.

4. International Fund for Agricultural Development

36. Since most of the member island developing countries of IFAD are included in the poorest food deficit countries that are main targets of the Fund's activities, the Fund has paid a great deal of attention to the development of the island developing countries. As at December 1991, 58 loans amounting to SDR 352.5 million have been extended to island developing countries.

Fifty-nine per cent of these loans were provided on highly concessional terms, 39 per cent on intermediate terms and 2 per cent on ordinary terms. These loans to island developing countries amounted to about 13 per cent of a total of SDR 2,755.1 million for 321 loans extended by IFAD for 313 projects to some 94 member countries between 1978 to 1991.

5. International Monetary Fund

37. The Fund's policy is to extend uniform treatment to all members while seeking to meet their particular needs and circumstances. Within this overall policy, the Fund has sought to meet the needs of island developing countries in a number of ways. Quotas of island developing countries reflect their particular situation as in many instances they are producers of primary exports that are subject to price and volume fluctuations. As at the end of March 1992, the outstanding use of Fund resources under all facilities by island developing countries totalled SDR 1.9 billion (or about $2.6 billion).

38. Eighteen island developing countries are eligible for assistance under the structural adjustment facility. During the six-year period until the end of March 1992, three-year arrangements under this facility were approved for six island developing countries. The total amount committed was SDR 242 million, of which SDR 183 million has been disbursed. Until the end of March 1992, arrangements under the enhanced structural adjustment facility have been approved for two island developing countries for a total commitment of SDR 413 million, of which SDR 107 million has been disbursed.

39. Fourteen island developing countries have also made use of Fund resources under stand-by arrangements and three made use of the extended Fund facility during the 10-year period from March 1982 to March 1992. The total committed under the two facilities during this period was SDR 3.9 billion, of which SDR 2.2 billion was disbursed. As at 31 March 1992, five island developing countries had stand-by arrangements in place.

40. During the period from 1 January 1982 to 31 March 1992, 13 island developing countries made 28 purchases under the compensatory and contingency financing facility amounting to a total of SDR 2.2 billion. As at 31 March 1992, 10 of these countries had purchases outstanding under the facility, amounting to a total of SDR 648 million. The island developing countries also benefit from the Fund's programme of technical assistance, its efforts in arranging debt-rescheduling programmes and its initiatives to support social and environment and private sector development programmes.

6. Organisation for Economic Cooperation and Development

41. In 1989 and 1990, the total net official development assistance flows to island developing countries and territories by Development Assistance Committee (DAC) member countries, Spain and Portugal, and multilateral agencies, totalled $7,977.67 million and $8,940.92 million respectively. In

1989 bilateral flows amounted to $6,918.18 million and multilateral to $1,059.49 million. The corresponding flows for 1990 were $7,630.60 million and $1,310.16 million respectively.

7. World Bank

42. Bank assistance is tailored to individual country needs, by taking into account the special geographical and other circumstances. In fiscal years 1990 and 1991, the Bank committed $6.7 billion to supporting economic and social programmes in individual island developing countries.

43. In Jamaica Bank operations supported the Government's trade reform measures as well as financial sector reforms. The Bank is also supporting agricultural reforms and a five-year investment programme to upgrade the country's road infrastructure. In Saint Kitts and Nevis, the International Development Association (IDA), together with bilateral donors, is reforming the agricultural lease system. In Trinidad and Tobago technical assistance is being provided to strengthen the institutional capacity of the economy for undertaking structural reforms and lending is being made to support the creation of employment opportunities. In the Comoros, IDA financing, in collaboration with UNDP and bilateral donors, is provided for road maintenance. In Sao Tome and Principe the Bank has, together with the African Development Bank and the International Monetary Fund (IMF), supported a structural adjustment programme to facilitate private economic activity and generate employment opportunities for households. In Mauritius the Bank supported institutional arrangements to reverse the environmental degradation. In Vanuatu an investment credit in low-cost housing has been approved. In the Maldives work on a fisheries project and tourism development is continuing with the support of the Bank. In addition the Bank produced its first regional economic report for the Pacific island countries in fiscal year 1991. Furthermore, the Bank completed a study on the incentives framework for private sector investment in Fiji.

8. United Nations Educational, Scientific and Cultural Organization

44. The non-governmental organization International Scientific Council for Island Development (INSULA), set up recently under the auspices of UNESCO's intergovernmental programme, has begun its activities aimed at promoting horizontal exchange of experience among island countries in order to promote sustainable development. Under its regular programme for 1990-1991, UNESCO organized a regional training course in the Philippines in April 1991 on the management of island natural resources, in cooperation with the Philippines authorities and other regional bodies. Furthermore, it has established a small unit with a view to developing a special approach in its relations with small member States. Twenty-one of the 22 micro-States identified for inclusion in this programme are islands or archipelagos. UNESCO is also coordinating a plan of action with respect to the two subregions where most

small States are located, the Caribbean and the South Pacific. This plan will take into account their isolation from metropolitan centres of the world, difficulties of communication, the fragility of their ecosystems and vulnerability to natural disasters, as well as other circumstances particular to them. Furthermore, UNESCO in conjunction with the Seychelles authorities and UNDP, plans to execute a project that would provide environment training for officials of the relevant government agencies in that country.

9. International Civil Aviation Organization

45. Within its technical cooperation programme, ICAO continues to pay particular attention to civil aviation development in island developing countries and is now in the process of planning activities for the next UNDP cycle, which will include consideration of the needs of island developing countries. In Africa assistance was provided to Sao Tome and Principe for the set-up of an airport authority and the development of airworthiness procedures, to Cape Verde for runway repairs and maintenance, to Mauritius for the quality control of the national airline, to Seychelles for civil aviation training, to the Comoros for training and to Madagascar also for training programmes.

46. Technical cooperation activities in Asia and Pacific have covered Fiji, Kiribati, Maldives, the Marshall Islands, Micronesia, Nauru, Sri Lanka and Tonga. The assistance covered areas such as airline management, civil aviation management and operations, airport development and provision of aviation equipment. In addition ICAO/UNDP subregional assistance was extended to the South Pacific through the provision of expert advice and support for training programmes in various disciplines. In the Caribbean, ICAO technical assistance is provided to several Caribbean island developing States mainly under UNDP-funded country projects. In some cases, assistance has also been provided through the Civil Aviation Purchasing Service's arrangements financed directly by the Government.

47. In the last 10 years, ICAO executed some 26 specific technical assistance country projects in the areas of training of personnel in several fields of civil aviation, as well as advisory services in different fields. The countries and territories that benefited from the assistance include Antigua, the Bahamas, the Cayman Islands, Cuba, the Dominican Republic, Haiti, Jamaica, Montserrat, the Netherlands Antilles, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and the Turks and Caicos Islands.

10. United Nations Industrial Development Organization

48. Recognizing the particular needs of the island developing countries and the disadvantages they face in their development efforts, specific actions have been undertaken in their favour by UNIDO within the framework of its overall programme of assistance to the least developed countries and its

several special programmes. These include the industrial action programme for the least developed countries, the Industrial Development Decade for Africa, the special programme for industrial development for Asia and the Pacific, the regional cooperation programme for the industrial recovery of Latin America and the Caribbean, and the integration of women in industrial development.

49. A number of island developing countries have also benefited from UNIDO's ECDC/TCDC programmes. The Solidarity Meeting for Cooperation in the Industrial Development of Cape Verde resulted in the identification and preparation of some 30 project profiles and follow-up activities are continuing. As part of the UNIDO/Islamic Chamber of Commerce programme of cooperation, two Islamic island developing countries, the Comoros and Maldives, took part in the meeting for the promotion of industrial development in less developed Islamic countries where they presented several projects for cooperation with more developed Islamic countries and financial institutions. Furthermore, UNIDO concluded negotiations with the Government of Mexico and a number of Caribbean States to develop a programme of cooperation between the countries concerned.

11. World Food Programme

50. WFP has 41 ongoing development projects in 19 island developing countries, with the corresponding commitments amounting to $281 million. The Programme's development assistance covers sectors such as human resource development, land settlement, food security, dairy development, agricultural and rural development, environmental protection and rural infrastructure development. Furthermore, WFP is also providing humanitarian and relief aid to island developing countries. Currently about 9 per cent of WFP's total development project portfolio is located in island developing countries. In 1991, the Programme provided grant assistance to this category of projects totalling almost $33 million. WFP expenditure on operational activities in island developing countries having a population of less than 1 million is estimated to have been $5.19 per capita in 1991, compared to the Programme's overall average of $0.14 per capita. In 1992, WFP expects to commit over $22 million to support new development projects in island developing countries, especially in the field of human resource development.

12. Food and Agriculture Organization of the United Nations

51. FAO does not have special technical assistance for island developing countries but special attention is given to them within the overall programmes for developing countries. In addition to country projects developed in response to the specific needs of the island developing countries of Asia and the Pacific region to enhance food availability, FAO has launched regional development projects in the fisheries, forestry and livestock sectors, as well as for the development of agricultural crops. Several regional projects - some of them financed through trust funds from the Government of Japan - have been conceived and are being executed by FAO to assist in developing

agriculture and coastal fishery management systems. In this connection, FAO is currently implementing a regional technical cooperation project on development of fruit fly control strategies in the South Pacific.

52. At the technical assistance level, in late 1990 FAO fielded an agricultural sector review and programming mission to Fiji, Western Samoa, Tonga, Vanuatu, the Cook Islands, the Solomon Islands, the Marshall Islands and the Federated States of Micronesia, at their request. FAO also has technical cooperation projects in the Cook Islands, Fiji, Tonga and Western Samoa designed to assist them in strengthening their technical capability in policy analysis and planning in agriculture and related areas.

53. FAO activities in the island developing countries in the Caribbean region are being carried out in close collaboration with the countries concerned and the Caribbean Community (CARICOM) as well as with the Organization of Eastern Caribbean States (OECS). The main areas of FAO technical assistance to these countries are related to fisheries, agricultural development, prevention of food losses, marketing and post-harvest support to small farmers, integration of women in rural development, survey and control of diseases, desert locust control, forestry water legislation and administration, strengthening of agricultural research, establishment of agricultural technology information systems, and legal aspects of a common policy on access to exclusive economic zones. Dominica, Jamaica, Saint Vincent and the Grenadines, Trinidad and Tobago, Grenada, Madagascar, Cape Verde, Jamaica and the Comoros have particularly benefited from projects related to agricultural policy analysis and planning and human resource development.

54. Furthermore, between 1988 and 1991, FAO food control activities in the island developing countries consisted of a number of surveys, missions, workshops and training activities in the Pacific and Caribbean regions. In addition, long-term projects have been completed within the past 10 years to develop food control programmes in Seychelles, Madagascar, Sri Lanka and Mauritius.

55. The FAO Global Information and Early Warning System on Food and Agriculture has continued to monitor crop conditions, production prospects and food needs, including emergency food needs in many island developing countries. Furthermore, several island developing countries are active members of intergovernmental commodity groups that undertake activities of specific interest to individual island developing countries. In this connection, in April 1992, FAO organized an Interregional Conference of Small Island Countries on Sustainable Development and Environment in Agriculture Forestry and Fisheries in Barbados.

13. Universal Postal Union

56. UPU funded a number of consultancy missions to Madagascar, Maldives, Tonga and Vanuatu within the framework of its interregional programme. Furthermore, technical assistance in the form of country consultancy missions and training scholarships financed by UPU was provided to the Comoros, Madagascar, Mauritius, Seychelles, the Bahamas, Barbados, Aruba, the Dominican Republic, Dominica, Grenada, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and Cyprus. The following countries in Asia and the Pacific benefited from four technical assistance regional projects financed by UPU: Brunei Darussalam, Fiji, Indonesia, Kiribati, Maldives, Nauru, Papua New Guinea, Philippines, Solomon Islands, Western Samoa, Sri Lanka, Tonga, Tuvalu and Vanuatu.

14. World Health Organization

57. Specific measures are taken on behalf of a naumber of island developing countries, such as the Maldives and Cape Verde, but these are in connection with their particular health needs as least developed countries.

C. Information received from intergovernmental organizations

1. Asian Development Bank

58. The Bank gives special attention to the needs of its smaller member States. The Bank established a South Pacific Regional Office in 1989, which has become the focal point for all the Bank's activities in the South Pacific. It is now responsible for undertaking country strategy studies, initiating and implementing some of the technical assistance programmes and processing and implementing several loan projects.

59. With effect from 1992 the Bank will prepare biannual Pacific island economic reports on each Pacific island developing country. These will provide inputs to government policy positions and help donors in their assessment of their aid programmes. They will also be useful to the World Bank's biennial regional economic reports and provide inputs to the analysis and documents presented at round-table meetings with UNDP.

2. Caribbean Community Secretariat

60. The Caribbean Community has, over the past three years, been re-examining its development thrust. A major input in this process was the study entitled "CARICOM to the Year 2000", a major outcome of which was the convening of a regional economic conference in 1991. Parallel to that exercise were the activities of the West Indian Commission, established by the Conference of Heads of Government of the Caribbean Community in 1989 to make recommendations

to the Conference of Heads of Government on the overall developmental path of the Community.

61. Other initiatives of the Community include the development of a regional strategy for technical and vocational education and training, the study of the region's geothermal resources, the implementation of an oceanographic resource exploration project, the negotiation of an agreement on the management and conservation of the environment, the holding in 1990 of a conference on issues of sustainable development in the Caribbean, the identification of transportation projects to be funded under Lomé IV and the negotiation of regional cooperation agreements in areas such as disaster prevention (the CARICOM Disaster Emergency Response Mechanism) and the regional security system.

3. Commonwealth Secretariat

62. The Commonwealth Secretariat has undertaken several activities from which several island developing countries have benefited. These include the organization of a symposium on the impact of major global changes on small States that was held in Saint Kitts and Nevis in 1991; technical support during the Uruguay Round of multilateral trade negotiations; technical assistance in the development of capital markets; support of on-the-job programmes; and assistance in promoting science and technology programmes.

4. Organization of American States

63. During the period 1990-1991 the Organization supported a number of projects from which several Caribbean island countries benefit. They covered such areas as tourism, natural resources, employment, export promotion, education, public sector management, health, planning, agro-forestry, capital formation, standardization and agricultural diversification.

5. South Pacific Commission

64. The Commission is mandated to provide technical assistance to its 22 member countries and has been active over the past 44 years in such areas as agriculture, fisheries, health, nutrition, women and youth development, demography, rural development and training.